VETO MESSAGES

OF

HON. RICHARD J. HUGHES

Governor of New Jersey

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SUBMITTED TO THE SENATE AND THE GENERAL ASSEMBLY OF THE STATE OF NEW JERSEY

1965—1966—1967—1968—1969

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1965—1966—1967—1968—1969

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STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 24, 1965.

SENATE BILL NO. 81

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 81, with my objections, for reconsideration.

Senate Bill No. 81 would undertake to define and prohibit conflicts between the official obligations and the private interests of members, officers and employees of the legislative and executive branches of government. This measure, unfortunately, is but a repetition of Senate Bill No. 40 of last year, which would have reserved to each House of the Legislature the exclusive power to hear and determine all charges of impropriety against its own members. This feature of Senate Bill No. 40 constituted a nullification of the basic intent of the law and I was constrained to return that bill to the Senate with recommendations designed to provide the assurance of a full and fair hearing on such charges by an impartial body. Since Senate Bill No. 81 was deliberately amended by the Senate caucus to remove the provision relating to an impartial review of the Legislature's activities, I see no alternative but to return this bill in the hope that the conscience of the Senate will move it to pass a realistic conflicts measure. To accept Senate Bill No. 81 as a "first step" or as "half a loaf" would, I fear, remove from public view for the foreseeable future the question of a meaningful conflicts of interest law. I think it is to the advantage of the people of this State that public insistence be maintained on behalf of a law that has meaning and effect.

As you know, I proposed last year that Senate Bill No. 40 be amended to empower the State House Commission, as an appropriate independent tribunal composed of responsible members of the executive and legislative branches, to adjudicate all complaints involving alleged violations by members, officers and employees of both branches. This suggestion was offered as a possible compromise between the criminal sanctions preferred by the

Assembly and the illusory deterrent of secret self-examination long advocated by the Senate. The proposal deferred to the ultimate right of each House to judge the qualifications of its own members, for it would have constituted the State House Commission only as a fact-finding body with no authority to impose any penalties upon members and employees of the Legislature. The paramount aim of such an approach is not to punish the Legislature but to maintain public confidence in the governmental process by assuring certain and impartial enforcement of a conflicts law in broad daylight. Without such assurance a conflicts law can have no meaning. As I noted in my message on Senate Bill No. 40:

> "For good cause or not, public attention to the subject of conflicts of interest long has been focused primarily upon the activities of the Legislature. In order to assure the confidence of our citizens in their government, it is imperative that no suspicion concerning the bona fides of the Legislature be given a basis for existence. In a society which derives its order from the consent of the governed, men in public office not only should do justice but also should satisfy the people that justice has in fact been done. If Senate Bill No. 40 were approved, it could increase rather than dispel public cynicism toward the Legislature. It is not difficult to forecast that the exoneration of an accused legislator by the membership of his House would be attended by suspicion that the charge was neither diligently investigated nor disposed of on its merits. The recent United States Senate investigations indicate the insurmountable obstacles any body must face when it seeks to judge itself."

For these reasons, I cannot in conscience approve Senate Bill No. 81 unless the Senate will agree to authorize a disinterested body such as the State House Commission, rather than the Legislature itself, to hear and determine complaints against members of the legislative branch as well as members of the executive branch.

I am returning this bill to the Senate with a sense of total frustration in dealing with a Senate caucus which can choose to act irresponsibly although the individual members of that body can proclaim their own support for measures they know the people want. When I returned Senate Bill No. 40 last year, my recommendations to

strengthen that measure drew an immediate and largely favorable reaction from the sponsor and many others. There was some indication during the 1964 session that the Legislature might re-pass the bill with the substance of my proposed amendments and thereby give this State its first meaningful conflicts of interest law. Although this responsible action failed to materialize, there was reason to expect that the Legislature, and particularly the Senate, would meet this fundamental obligation to the people in 1965.

On January 18, 1965, Senate Bill No. 81 was introduced with bipartisan sponsorship and was referred to the Senate Judiciary Committee. The bill had been prepared with the full cooperation of the sponsors and embodied most of my recommendations concerning Senate Bill No. 40 of last year, including the vital provision for a hearing of charges against members of the legislative and executive branches by the State House Commission. Despite this promising start, the measure languished in committee until May 10, 1965, when it was decided in the caucus to strip the State House Commission of its jurisdiction over charges involving legislative members and employees and vesting that authority exclusively in the Legislature itself. As thus amended, the bill was immediately given a second reading and passed by the Senate under "emergency" resolution on the same day. The emasculated measure was then passed by the Assembly on May 17, just one legislative meeting short of the previously announced adjournment date of May 24, 1965.

This precipitous action, coming at the end of a session marked by disinterest in conflicts legislation, makes it clear that some legislators hope to face the electorate in November with the claim of having produced a conflicts bill which rectifies the generally acknowledged deficiencies of last year's Senate Bill No. 40. Although the amended version of Senate Bill No. 81 does embrace some of my proposals, it does not meet the fundamental problems which inhere in permitting the Legislature to act as its own and only judge and jury. No new legislation is required to empower the Legislature to discipline errant members and to establish internal procedural machinery for that purpose. This power has long existed, but has not been used in recent times and the problem persists. It can hardly be alleviated by a law which, in application to members of the legislative branch, adds not a single whit to the powers now held by that body.

As much as I desire the enactment of a viable conflicts of interest law, I cannot and will not be a party to the enactment of a measure which may delay the adoption of a meaningful conflicts law for many years. As I said last year, I am well aware that it would be pointless to insist upon perfection in this highly sensitive area. At the same time, the people of this State are entitled to at least a minimal showing of good faith, characterized by legislation which does not insult their intelligence.

Accordingly, I am returning Senate Bill No. 81 to the Senate today, with the earnest hope that it will be repassed today, prior to the summer recess of the Legislature, with the following amendments:

On page 8, section 13, lines 2 and 3, delete "by officers or employees of a State agency or State appointees in the Executive Branch of the State Government" and insert in lieu thereof "except as limited by the provisions of section 10(c) of this act".

On page 8, section 13, line 13, delete "The" and insert in lieu thereof "In the case of any person other than a member or appointee of the Legislature, the".

On page 8, section 13, after line 20, insert the following new subsection:

"(c) In the case of a member or appointee of the Legislature, the commission shall report its findings to the House of the Legislature in which such person shall be a member or appointee and shall recommend to such House such action, as in its opinion, shall be appropriate under the circumstances. It shall be the sole responsibility of such House of the Legislature to determine what action, if any, shall be taken against such member or appointee."

On page 9, section 16, lines 1 through 14, delete section 16 in its entirety.

On page 9, section 17, line 1, delete "17" and insert in lieu thereof "16".

Respectfully,

/s/ RICHARD J. HUGHES,

Governor.

[SEAL]

Attest:

/s/ JAMES J. MCLAUGHLIN,

Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 17, 1965.

Senate Bill No. 99

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 99, with my objections, for reconsideration.

Senate Bill No. 99 would amend the law concerning the Newark City retirement system to liberalize the retirement and disability pension benefit structure. For example, it would increase the maximum annual salary upon which benefits are computed by $2,000.00. The bill would also reopen the system to all present employees, otherwise eligible, who are not now members and would permit all members to purchase prior service credit for certain service rendered in municipal employment for which they cannot now receive pension credit.

The bill would make one further significant change by requiring the City of Newark to pay the entire cost of hospitalization, medical, surgical and major medical insurance for all retired employees who retire after the effective date of this new law and their dependents. No other governmental employer in New Jersey is obligated to provide such benefits to retirants and their dependents.

I am not unmindful of the responsibility of governmental employers to modernize and improve the benefits available to their employees. I believe the State in this regard in recent years has undertaken to meet its responsibilities and I certainly would not wish to prevent our local employers from doing likewise. All increases in State benefits, however, were accompanied by the appropriation of the necessary funds. In addition, the State pension systems are on a solid actuarily sound basis. In contrast, Senate Bill No. 99 fails to make any provision for having the City meet the considerable cost of the increased benefits contemplated. This is a serious omission since the Newark system already has incurred a substantial accrued liability for pensions. In 1954, the State informed the Newark system that the

then accrued liability was more than $22 million. Without considering the increases in salaries and employees that have occurred since that date, this liability, with interest, now exceeds $30 million. Undoubtedly, the actual liability is substantially greater in amount.

The seriousness of the situation is further demonstrated by the fact that at the present time the system is paying out approximately $250,000.00 more than it is receiving by way of contributions or earnings on its assets.

It may be argued by some that this is a local problem and that the State should not prohibit the municipality from taking whatever action it may desire. Forgetting the mandatory aspects of this legislation, I would point out to such observers that in the past when the State has permitted local systems to reach the point of insolvency, it has been called upon to assume substantial responsibility for revising these systems and protecting the benefits promised to local employees. For example, not too many years ago the 212 local police and firemen's pension funds reached the point of financial insolvency. Local employers were unable to meet their commitments to local employees. The State, therefore, was forced to underwrite a considerable portion of the accrued liabilities of these funds although not a single member involved was a State employee. In fact, under the arrangement entered into in the early 1950's the State obligated itself to pay 1/3 of this deficiency and the value of the State's contribution in the past decade, to guarantee these local benefits, is approximately $65 million.

During the current year, a number of the members of this Legislature have shown considerable interest in economy and efficiency in government. For those truly interested in this most important subject, I would suggest attention be given to pension legislation since the State now expends almost $100 million for this purpose and local employers many million more. It should require no great insight on the part of any interested participant in government to realize that in the space of several years the State may again be called upon to underwrite local obligations of considerable magnitude because of Senate No. 99. Unless steps are immediately taken to insure the solvency of this system, it will be impossible to guarantee both the local employees of the City and the taxpayers of the City a systematic method of satisfying this local obligation. Without such action, the increased benefits proposed by this bill

may be largely illusory; promises written by check on an overdrawn account.

I, therefore, suggest that this bill be amended to provide that in each fiscal year following the effective date of the liberalization in benefits, the City increase its contribution by an additional 1% of the salaries of all participating city employees until the actuary of the fund certifies to the municipality that the City's contribution, together with the contributions of the members are sufficient to meet the liabilities of the system on a fully funded reserve basis. Once the system has achieved a fully funded status on the basis of such increased contributions by the municipality, the actuary would certify a rate of contribution which would be necessary in order to continue the system on a fully funded basis. This will protect the pension benefits of the members of the system while providing to the municipality a means of gradually accomplishing financial solvency for the system.

With respect to the matter of payment of health insurance premiums, which the bill would make available only to future retirants and their dependents, it would appear that this aspect of the legislation requires further consideration. As I have indicated, no other governmental employer in the entire State would have the financial obligation that would be placed upon the City of Newark by this provision. Indeed, this obligation runs exactly counter to the provisions contained in the laws governing the health benefits programs which are available to State and local employees generally. It was only last year that this Legislature, on two separate occasions, specifically provided that public employers, both State and local, could not underwrite the entire cost of health benefits to the retired employee himself, let alone his dependents. P. L. 1964, c. 125; P. L. 1964, c. 259.

Unquestionably, public employers have to face directly the question of what is fair and appropriate treatment for retired persons in the area of health benefits. I do not believe, however, that the policy in this area should be established on a piecemeal basis by the enactment of isolated provisions such as those contained in this legislation. In addition, the probable enactment of a federal medicare program in the very near future will undoubtedly influence the ultimate conclusions to be reached by the Legislature on this subject. I would, therefore, suggest that a study

commission be established as quickly as possible for the purpose of determining what are the proper obligations of public employers in regard to providing health insurance benefits to existing as well as prospective retired employees and their dependents. A uniform approach to this subject should be developed which would be applicable to all public employees in the State and not merely the members of the Newark system. Only in this manner can the State be assured of approaching this problem on a basis which is business-like in regard to the economic implications and yet responsible in terms of an employer's obligation to its employees.

Accordingly, I herewith return Senate Bill No. 99 for reconsideration, with the recommendation that it be amended in the following respects:

On pages 6 and 7, section 6, lines 1 through 8, delete section 6 in its entirety and insert in lieu thereof:

"6. In addition to the contributions of the City prescribed in the act to which this act is supplementary, in fiscal year 1966 the City shall increase its contribution by 1% of the amount of the salaries paid to all members of the pension fund in 1965 and in each fiscal year thereafter the contribution of the City required by the provisions of this act shall be increased over the previous percentage by an additional 1% of the salaries paid to all members of the pension fund in the immediately preceding year until the actuary shall certify to the City that the total of the contributions made by the City, together with the contributions of the members and all earnings, is sufficient to meet the liabilities of the fund on a fully funded, reserve basis.

"The actuary of the fund shall then certify the rate of contribution, expressed as a proportion of the compensation of the members, which shall be made by the City to the fund in order to continue the fund on a fully funded, reserve basis once the fund has achieved a fully funded status on the basis of increased contributions by the City and the members."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 122

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 122, with my objections, for reconsideration.

This bill permits a municipality to acquire land which has been designated as a future public school site on the master plan adopted by the planning board or the official municipal map adopted by the governing body. Thereafter, this property would be conveyed to the board of education for such nominal or other consideration as shall be agreed to by both parties.

Boards of education often cannot take advantage of favorable market conditions to acquire school sites since they generally do not have funds available for advance purchases of land. This bill will assist school boards by permitting the governing body of a municipality to purchase property for future school purposes and to hold the property until the board of education is financially able to purchase it. I am in full agreement with the intent of this measure.

It has been brought to my attention, however, that Assembly Bill No. 122 could be construed to divest the board of education of its right to determine the location for a school. I have been assured by the sponsors that this is not their intent. Assembly Bill No. 122 should therefore be amended to require the board of education's approval of the school site prior to any acquisition of the property by the municipality.

I am, therefore, returning Assembly Bill No. 122 for reconsideration with the recommendation that the bill be amended as follows:

On page 1, section 1, line 3, after the word "designated" insert "with the approval of the board of education".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 253

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return the Assembly Committee Substitute for Senate Bill No. 253, with my objections, for reconsideration.

This bill would provide for the State registration of power vessels and the fee payable would be in lieu of all local personal property taxes now levied upon such vessels. Since all non-commercial vessels presently are exempted from such local taxes, the effect of the bill is to remove commercial vessels from the local tax rolls upon the payment of the State registration fee.

As I previously announced, I have concluded that it would be against the public interest for me to sign this bill in its present form. While there may be reason for treating commercial boats in a manner somewhat similar to motor vehicles and aircraft, such changes in the tax status of these craft should not be afforded at the expense of recreational boatmen, which would be the result if this bill were to become law.

The registration fee schedule specified by the Assembly Committee Substitute for Senate Bill No. 253 would be applicable to both commercial and non-commercial boats.

No distinction is made. It is difficult to find any justification for treating boats which are used for business enterprises in the same manner as those which are owned for pleasure and recreation. If the schedule is appropriate for one class of boats, it must necessarily be inappropriate for the other. This is especially true since, as I have noted, such pleasure boats are now free from local taxation.

Such a parity of treatment would be a negation of the considerations which led to the enactment of a bill to exempt pleasure boats from taxation less than one year ago. It was then agreed by the Legislature and myself that our citizens should be encouraged to enjoy the pleasures of recreational boating without being taxed for the privilege. Consequently, I am returning this bill with recommendations which reflect that aim.

I am also concerned whether the registration fee is realistic in its application to commercial vessels. The fees specified by this bill range from $2.00 per year for vessels under 16 feet in length to $8.00 per year for vessels up to 65 feet long. All vessels over 65 feet would be subject to a fee of $25.00. These fees would replace property taxes, which I am advised in the case of larger vessels currently range in the neighborhood of $400.00 to $500.00 annually.

By way of comparison, the maximum registration fee assessable against a non-commercial passenger motor vehicle is $25.00. Commercial vehicles, however, are subject to maximum registration fees nearly ten times as great, not including construction trucks against which registration fees of up to $1,000.00 can be assessed.

The distinction between commercial and non-commercial is not made in the case of aircraft. The registration formula is based upon gross weight, but few of the heavier craft are used for non-commercial activities so that the fee schedule accomplishes the same result. The fee collectable ranges from $15.00 to $1,000.00

In return for the payment of these fees, all motor vehicles and aircraft are exempted from local taxes. If power vessels are now to be similarly exempt, the fees chargeable to commercial craft should bear some reasonable relationship to the privilege accorded. Therefore, I am recommending a modification of the fee structure.

This measure would also repeal a long-standing prohibition against the operation of power vessels upon inland

waters without a license. Under existing law, an individual must be at least 13 years old to obtain an outboard motorboat license, and 16 to obtain an inboard motorboat license. No reason has been advanced for removing from the law this restriction upon the indiscriminate operation of power vessels by children who have not attained a responsible age. Power boats, no less than automobiles, can be lethal weapons in the hands of those who are not ready or able to operate them with competence and responsibility. If anything, consideration should be given to extending our program of licensing operators to tidal as well as non-tidal waters. Moreover, elimination of the present licensing provision would eliminate approximately $45,000.00 per year in revenues derived from the annual licensing fee of $1.50.

A further problem is that the bill would exempt from registration, as well as from taxation, all vessels having valid Marine Documents issued by the United States Bureau of Customs, upon payment of a token fee of $1.00 per year. This provision would apply to approximately 7,000 boats, most of which are commercial vessels, and would cost the State nearly $42,000.00 per year even within the framework of the bill's present modest fee schedule. Again, no justification has been advanced for this exemption nor has anyone indicated any reason for making a distinction between documented and undocumented vessels for purposes of registration.

Additionally, the bill, in its present form, fails to provide for a reasonable transition period within which the existing registration system could be converted into the new system. And, finally, by repealing that portion of existing law which equates numbering with registration, this bill introduces an artificial distinction between these two terms although they have long been viewed as synonymous by all concerned parties. I have suggested, therefore, that the existing numbering activities of the Bureau be left untouched and that the owners of commercial vessels be issued tax exemption certificates.

On page 1, Title, line 8, delete "the registration and numbering of".

On page 1, Title, line 14, delete ", and to repeal section 20 thereof, and section 4 of chapter 236 of the laws of 1954".

On page 1, section 1, line 2, delete "the registration and numbering of".

On page 2, section 2, lines 3 and 4, delete "Registration and Numbering".

On page 3, section 3, line 29, after "1954.]" insert "(i) 'Number,' 'Numbering' and 'Certificates of number' as used in this act are the equivalent of the terms 'register,' 'registration' and 'Certificate of Registration' as used in the Power Vessel Act (1954) being chapter 236 of the laws of 1954."

On page 3, section 3, line 30, delete "(i)" and insert in lieu thereof "(j)".

On page 3, section 3, line 33, delete "(j)" and insert in lieu thereof "(k)".

On page 3, section 3, after line 34, insert the following new paragraph:

"(1) 'Documented Power Vessel' means a power vessel which has a valid Marine Document issued by the Bureau of Customs of the United States Government or any Federal agency successor thereto."

On page 3, section 4, line 5, delete "registered and".

On page 3, section 4, line 7, delete "registered and".

On page 3, section 4, line 10, delete "A vessel which has a valid Marine Document issued by the Bureau of Customs of the United States Government or any Federal agency successor thereto, but any such vessel of 500 gross tons or less may be registered under this act and upon registration shall pay such fees as are hereinafter provided for power vessels and shall be subject to all the provisions of this act" and insert in lieu thereof "A documented power vessel".

On page 4, section 5, line 1 and thereafter, delete sections 5 through 16 in their entirety and insert in lieu thereof the following new sections:

"5. (a) Except as provided in subsection (b) hereof, the owner of every power vessel required to be numbered pursuant to this act shall and the owner of every documented power vessel of 500 gross tons or less which is based within this State may annually apply to the Department for a tax exemption certificate for said power vessel and pay the fee for such certificate in this act prescribed, which fee shall be in lieu of any assess-

ment or personal property tax imposed by the laws of this State;

"(b) The owners of power vessels used solely for their pleasure and recreation shall not be subject to the requirements of subsection (a) hereof and need not apply for a tax exemption certificate.

"6. For the purposes of this act a documented power vessel is based within this State if its owner owns, maintains, leases or rents space in this State for its storage, mooring or servicing on other than a transient basis.

"7. (a) Applications for the issuance of a tax exemption certificate shall be made to the Department on forms prescribed and supplied by it. Upon application and payment of the fees prescribed, the Commissioner shall provide suitable evidence of compliance with this act which shall be displayed in or on each power vessel in a manner to be provided by regulations of the Commissioner.

"(b) Application for a tax exemption certificate for the tax year 1966 and all subsequent tax years shall be filed with the Department on or before June 1 of the tax year or within 30 days of the purchase or acquisition of the power vessel, whichever date is the later.

"8. The following fees shall be charged and collected for the issuance of a tax exemption certificate for each power vessel and for the annual renewal of said certificate:

Length	*Fee*
16 feet or less	$4.00 per year
over 16 feet but not more than 26 feet	$25.00 per year
over 26 feet but not more than 40 feet	$50.00 per year
over 40 feet but not more than 65 feet	$75.00 per year
over 65 feet	$100.00 per year

"9. The Commissioner is authorized to utilize the machine records facilities of other State agencies in the administration of this act.

"10. The Commissioner shall issue a tax exemption certificate, without fee, for any power vessel owned, or leased by, the State, a county or municipality or by any

instrumentality thereof or by any agency or authority created by this State or by compact between this and any other State or States.

"11. The Commissioner shall issue a tax exemption certificate, without fee, for any power vessel owned by associations or corporations organized exclusively for charitable purposes.

"12. All fees received for the issuance of tax exemption certificates shall be deposited as part of the State's general funds with the State Treasurer, who shall keep a record of the same. The said sums shall be credited to a permanent revolving fund for the then current fiscal year and thereafter, from year to year, as a replacement thereof, and shall not lapse into the unappropriated funds of the State Treasury.

"(a) 90% of said sums shall be used for the purposes of meeting necessary expenses to assure a continuous administration of this act, except that at the end of each fiscal year all revenue in excess of a sum calculated to meet the projected annual costs for its administration, shall be used and are hereby appropriated for the purpose of dredging and maintaining lakes, waterways and streams of this State and for the development and maintenance of recreational facilities in areas accessible to boatmen.

"(b) The remaining 10% of said sums shall be used and hereby are appropriated to the Department to expand and maintain the coastal patrol unit of the Division of Fish and Game in said Department.

"13. Nothing contained herein shall be construed as exempting from personal property taxation power vessels which are being held for sale by a manufacturer, wholesaler or retailer of such vessels.

"14. The Commissioner is authorized to issue rules and regulations necessary for the administration and enforcement of the tax exemption certificate provisions of this act, including, but not limited to the establishment of a schedule for the initial issuance of said certificate.

"15. This act shall take effect immediately and shall apply to the tax year 1966 and thereafter. Nothing contained herein shall be construed so as to relieve any

person of any property taxes due and payable in the tax year 1965 or in prior years."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 17, 1965.

ASSEMBLY BILL NO. 376

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 376, with my objections, for reconsideration.

N.J.S. 2A:179–59, which forbids trespass upon railroad property, now requires proof of specific intent to avoid payment of fare, or to commit "larceny, violence or destruction," in order to secure the conviction of a trespasser as a disorderly person. Assembly Bill No. 376 would amend this statute to eliminate the necessity of such proof, so that an unauthorized entry in and of itself herceforth would constitute a disorderly person's offense without regard to the intruder's purpose but would expressly exclude from its scope "lawful activities in connection with a labor dispute."

I have no fundamental objection to such a strengthening of the enforcement provisions of the existing statute. As drawn, however, this bill fails to distinguish between innocent and deliberate trespasses, and thus would be construed to impose absolute liability even upon persons who are unaware that they have made an unwarranted entry upon railroad property. Such an interpretation would run counter to established concepts of criminal justice, and I suggest that the bill be amended to forestall such a result.

While my suggestions for amendment do not provide for this, I would also suggest that the Legislature give con-

sideration to strengthening the companion section of this statute, N.J.S. 2A:179–60, which prohibits the throwing of objects at vehicles, airplanes or railroad cars and the obstruction of railroad tracks. Such activities create a high risk to the general public and the existing disorderly persons' provision should be re-examined to determine whether it is sufficient.

Accordingly, I herewith return Assembly Bill No. 376 for reconsideration with the recommendation that it be amended in the following respects:

On page 1, section 1, line 10, after "shall" insert "willfully".

On page 1, section 1, line 11, after "shall" insert "willfully".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 384

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 384, with my objections, for reconsideration.

Assembly Bill No. 384 would render mandatory the heretofore permissive authority of municipal governing bodies to appropriate funds for the expenses of local boards of adjustment. The bill also would provide that the attorney to a board of adjustment must be a person other than the municipal attorney. This measure, however, would strip the board of adjustment of its power to appoint and fix the compensation of its own attorney, and would transfer that power to the governing body.

The basic purpose of Assembly Bill No. 384 is to eliminate potential conflicts of interest in municipal affairs arising

from dual representation of the governing body and the board of adjustment by the same attorney. This commendable aim reflects the policy recently enunciated by the Supreme Court in this sensitive area, and has my full approval. In view of this legislative objective of insuring independent legal advice to boards of adjustment, however, I can discern no justification for removing from such boards the power to appoint attorneys of their own selection. If a board of adjustment must accept legal counsel that is selected by the governing body, the independence visualized by this bill could be more apparent than real. A fundamental corollary of independent legal advice is the right to choose one's own attorney. I suggest, therefore, that this bill be amended to restore that right to the board of adjustment itself.

Accordingly, I am returning Assembly Bill No. 384 for reconsideration, with the recommendation that it be amended as follows:

On page 1, section 2, line 4, delete "governing body of the municipality" and insert in lieu thereof "board of adjustment".

On page 1, section 2, lines 5 and 6, delete "to the board of adjustment who shall be".

On page 1, section 2, line 7, delete "the said board of adjustment".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 3, 1965.

ASSEMBLY BILL NO. 431

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 431, with my objections, for reconsideration.

This bill would relocate the boundary line between the Borough of West Caldwell and the Borough of Roseland in the County of Essex.

Both boroughs were requested by my office to review the bill and to indicate whether there was mutual agreement on its provisions. The responses from both West Caldwell and Roseland disclose certain errors in the description as incorporated in Assembly Bill No. 431. With the cooperation of the sponsor and the governing body of both boroughs, amendments have been agreed upon to correct these errors.

Accordingly, I herewith return Assembly Bill No. 431 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 6, delete "343.19" and insert in lieu thereof "368.29".

On page 2, section 1, line 20, delete "89.74" and insert in lieu thereof "89.52".

On page 2, section 1, line 28, after "January 7, 1965" insert "and revised April 2, 1965".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 525

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 525, with my objections, for reconsideration.

This bill would amend the motor vehicle law to increase from 20 feet to 30 feet the distance from the end of a

safety zone within which parking is prohibited, and to decrease from 50 feet to 30 feet the distance from a stop sign within which parking is prohibited.

I have no objection to the first of these proposals. I cannot agree, however, with the provision which would reduce the area of prohibited parking before a stop sign.

I have been advised by the Division of Motor Vehicles, and by traffic safety committees throughout the State, that the proposed reduction from 50 feet to 30 feet would greatly increase the accident potential at intersections. Because of the increased hazard, I would suggest that the present provision regulating parking before a stop sign be retained.

Accordingly, I am returning Assembly Bill No. 525 for reconsideration, with the recommendation that it be amended as follows:

On page 2, section 1, line 18, delete "30" and insert "50".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. McLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 16, 1965

SENATE BILL No. 300

To the Senate:

Pursuant to Article V, Section I, paragraph 15 of the Constitution, I appended to Senate Bill No. 300, at the time of signing it, a statement of certain items, or parts thereof, to which I objected, so that such items, or parts thereof, should not take effect.

Senate Bill No. 300 is the general appropriation bill for the fiscal year ending June 30, 1966. After carefully reviewing the measure in its entirety, I was constrained to disapprove the items discussed below.

I

The first items to which I objected would have appropriated $130,500 to the Senate, and $90,000 to the General Assembly, as salaries for ''members' staff services''. Compared to the amounts expended last year for the salaries of ''members' secretaries'', these items would have raised the personal staff allowance of each Senator from $1,000 to $4,500, and that of each Assemblyman from $750 to $1,500.

This unprecedented increase of legislative perquisites comes as a rather anomalous climax to a session marked by many expressions of legislative devotion to the cause of economy and efficiency in government. In contrast to the close scrutiny given by the Legislature to most budget requests this year, little or no real study appears to have attended the adoption of the items in question. The very vagueness of the term ''members' staff services'' indicates that these items were tacked onto the appropriation bill as an afterthought, and that the exact nature of such ''staff services'' remains to be formulated.

It is by no means clear whether the Legislature meant to use this term only as a broader euphemism for the phrase ''members' secretaries'' which appeared in last year's appropriation bill, or to connote a new and more ambitious concept of full-time professional staff. If the projected ''staff services'' are to be identical with those rendered by ''members' secretaries'' in previous years, I can discern no reason why the salaries paid for such services should suddenly be increased by 350% in the case of the Senate, and by 100% in the case of the Assembly. If, on the other hand, these ''staff services'' were intended to encompass other and more demanding functions related to the full-time assistance of legislators in the performance of their duties, I would suggest that such functions be clearly specified and defined before a blank check is written to pay for them.

In this aspect, many questions arise. How, if at all, would such ''staff services'' be related to the work of the Law Revision and Legislative Services Commission, for which more than $250,000 has been appropriated this year? By what standard is a staff allowance of $4,500 suitable for each Senator, while an Assemblyman devoting an equivalent amount of time and effort to his legislative obli-

gations would receive only $1,500? These and other matters obviously need to be thought out before the Legislature next undertakes any move toward the establishment of a professional staff.

These observations should not be taken to mean that I am unsympathetic toward the idea of upgrading and professionalizing the quality of legislative staff assistance. Such a project, if approached properly and with the requisite preliminary study, could result in a measurable improvement in the legislative process. Because the creation of a professional staff for legislators would be a new and permanent step, however, I feel that the task should await the installation of the Legislature to be elected on a permanent basis in 1967, and should not fall to an interim body. With that reservation, any sincere and knowledgeable effort toward the establishment of such a staff would receive my full support.

For the reasons stated above, I determined that it would not serve the public interest to grant each Senator an additional $3,500, and each Assemblyman an additional $750, for so vague and unspecified a purpose as "members' staff services". I accordingly reduced the staff allowance of each Senator to $1,000, and that of each Assemblyman to $750, thus preserving the status quo until such time as a proper study of staff needs is conducted by a new Legislature constituted under a permanent method of apportionment.

II

The next items to which I objected would have appropriated $50,000 to each House of the Legislature "[f]or transfer to Legislative Commissions for administrative expenses, when resolutions as the case may be, provide therefor." These two funds were intended to be available for the financing of legislative investigations, as and when the investigative mood might have struck either or both Houses this year.

Identical items were vetoed in 1956, 1958 and 1960. In disapproving these expenditures, Governor Meyner repeatedly observed that no such general fund for legislative investigations has ever existed in the past, that it has always been the practice to request and appropriate specific amounts for specific commissions on the basis of actual need, and that it would be an unsound budgetary practice

to first appropriate $100,000 of tax money and then determine whether and for what it is to be used. Additionally, in his message concerning the 1958 appropriation, Governor Meyner pointed out that:

> "* * * funds appropriated in such a general and vague manner are subject to use in ways that may be unwise or otherwise not in the public interest. Judging from past experience, this risk seems to be especially high in the months preceding the November elections, when some commissions tend to become unusually active."

My own experience in office has disclosed nothing to detract from the wisdom of my predecessor's views on this subject. No justification has been advanced which would warrant the consignment of $100,000 in State money to so amorphous a purpose as unspecified legislative investigations which may or may not ever be required. If the need arises for the Legislature to exercise its legitimate investigative function, the cost can be met by a specific appropriation commensurate with the nature and extent of the particular study involved.

In that connection, I have never been reluctant to approve suitable appropriations for bona fide legislative commission studies. In 1964 I approved expenditures totalling over $246,000 for such studies, and so far this year I have approved similar appropriations of more than $107,000. Even in objecting to the items now before me, I determined that the reduced sum of $10,000 should be appropriated to the Assembly in the hope that it will be applied to continue the work of the Commission on Efficiency and Economy in State Government. I accordingly reduced that item from $50,000 to $10,000. While I cannot restrict the use to which these funds will be applied, I have approved this sum so that it will be available for this specific purpose, thus continuing my effort to assist this Commission in the performance of its duties.

III

The final item to which I objected would have increased the salary of the Governor from $35,000 to $40,000 per annum. This increase was intended to take effect upon the inauguration of the next Governor in January of 1966.

I cannot agree that the contract of employment between the Governor and the people of New Jersey warrants such

a salary increase at this time. It has been traditional in recent years to limit reconsideration of the Governor's compensation to those intervals when it was certain that the incumbent would not succeed himself and therefore could not benefit personally from the increase. Thus my predecessor approved a $5,000 increase in the Governor's salary which became effective the day I took office.

I assumed this office with a full understanding of its compensation and with a realization that it would not be appropriate for me to accept any salary raise during my tenure. I am now standing for reelection to the Office of Governor and there is a possibility that I would be the immediate beneficiary of the projected salary increase to $40,000. Since I believe such a circumstance would violate the spirit of my contract with the people, I have disapproved this item.

IV

For these reasons, I objected to the items, or parts thereof, noted above in Senate Bill No. 300 and I am attaching hereto a copy of my statement in connection therewith.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JAMES J. McLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 16, 1965

STATEMENT ON SENATE BILL No. 300

Pursuant to Article V, Section I, paragraph 15 of the Constitution, I am appending to Senate Bill No. 300, at the time of signing it, this statement of each item or part thereof to which I object so that such items or parts so objected to shall not take effect.

On page 8:

"001-100. SENATE

Salaries:

Members' staff services ..... $130,500.00"

This item is reduced to $29,000.00.

"Extraordinary:

For transfer to Legislative Commissions for administrative expenses, when resolutions as the case may be, provide therefor ..... $50,000.00"

This item is deleted in its entirety.

On page 9:

"002-100. GENERAL ASSEMBLY

Salaries:

Members' staff services ..... $90,000.00"

This item is reduced to $45,000.00.

"Extraordinary:

For transfer to Legislative Commissions for administrative expenses, when resolutions as the case may be, provide therefor ..... $50,000.00"

This item is reduced to $10,000.00.

On page 15:

"080-100. CHIEF EXECUTIVE'S OFFICE

Salaries:

Governor ..... $37,261.00"

This item is reduced to $35,000.00.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY.
EXECUTIVE DEPARTMENT

SENATE BILL NO. 32

STATEMENT

I am filing Senate Bill No. 32 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill is intended to facilitate the transfer of ownership of a motor vehicle from the name of the registered owner to the joint names of the owner and his spouse, through the issuance for a $2.00 fee of a new registration certificate and certificate of ownership indicating the marital relationship. While I have no basic objection to such a measure, I have been advised by the Division of Motor Vehicles that the projected fee of $2.00 would not adequately cover the cost to the Division of effectuating such transfers. I would suggest, therefore, that the proponents of this bill consult with the Division to arrive at a mutually satisfactory fee low enough to further the objectives of the legislation, while sufficient to pay for the administrative costs such a law would entail. If such agreement can be reached, I would be pleased to sign an appropriate replacement bill into law this year.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL No. 269

STATEMENT

I am filing Senate Bill No. 269 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would require security interests in "farm vehicles given to secure an agricultural loan" to be perfected under the Uniform Commercial Code rather than, as now, under the Motor Vehicle Law. The measure apparently is intended to reduce filing costs to farmers, and I have no particular objection to that aim. As drawn, however, this bill contains basic ambiguities which could cause much uncertainty as to whether it applies to a given vehicle. The phrase "farm vehicle" is not defined at all, and the bill's broad definition of "agricultural loan" could raise as many questions as it answers.

Past experience has indicated that precise definitions are essential to workable legislation in this highly technical area. Banking officials have indicated that Senate Bill No. 269 in its present form might cause unwarranted problems for both farmers and lending institutions. For that reason, I have found it necessary to withhold my approval of this measure.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL No. 299

STATEMENT

I am filing Senate Bill No. 299 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 299 would provide that the Director of the new Division of Economic Development "shall receive such salary not to exceed $15,000.00 per annum as shall be provided by law." To the extent that the measure merely amplifies the obvious legislative intent that the Director should be compensated for his services, it is unobjectionable. In attempting to establish a permanent salary range, however, this bill runs counter to the prevailing practice of fixing the compensation of State officers on a year-to-year basis in the general appropriations legislation for each fiscal year.

In 1962 our laws were revised to eliminate many such statutory salary ceilings and to provide instead for "such salary as shall be provided by law", i.e., by the appropriations bill for each year. P. L. 1962, c. 65. The purpose of this change was to give the State a desirable flexibility in compensating its officials according to current circumstances, without having to amend the law creating the office in order to change the salary.

Senate Bill No. 299, by singling out the Director of the Division of Economic Development as the recipient of a permanently fixed maximum salary, would constitute an unwelcome return to the very practice which we have sought to overcome in recent years. Accordingly, I am filing this measure without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 333

STATEMENT

I am filing Senate Bill No. 333 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would authorize the Director of the Division of Purchase and Property to execute a 25-year lease of any surplus State land to any duly incorporated association of volunteer firemen for use as a training ground or school.

In 1962, the Legislature vested in the State House Commission the exclusive power to specify the terms and conditions upon which surplus State realty may be conveyed "in the best interests of the State." P. L. 1962, c. 220. This was done to avoid the need for special legislative action on each conveyance, and to establish uniform and centralized standards and procedures for the disposition of unneeded State property. If the parties interested in the objective of Senate Bill No. 333 proceed administratively under the general 1962 legislation, it will be possible to determine quickly whether the property in question is available and the terms and conditions attached to any conveyance.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 348

STATEMENT

I am filing Senate Bill No. 348 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 348 would be applicable to members of the Newark City pension system and would authorize that pension commission to pay the cost of hospitalization, medical-surgical and major medical insurance for former employees after their retirement from active service.

A proposal similar to this was presented to me in Senate Bill No. 99 of 1965. In returning that bill without my approval, I stated:

> "Unquestionably, public employers have to face directly the question of what is fair and appropriate treatment for retired persons in the area of health benefits. I do not believe, however, that the policy in this area should be established on a piecemeal basis by the enactment of isolated provisions such as those contained in this legislation. In addition, the probable enactment of a federal medicare program in the very near future will undoubtedly influence the ultimate conclusions to be reached by the Legislature on this subject. I would, therefore, suggest that a study commission be established as quickly as possible for the purpose of determining what are the proper obligations of public employers in regard to providing health insurance benefits to existing as well as prospective retired employees and their dependents. A uniform approach to this subject should be developed which

would be applicable to all public employees in the State and not merely the members of the Newark system. Only in this manner can the State be assured of approaching this problem on a basis which is business-like in regard to the economic implications and yet responsible in terms of an employer's obligation to its employees."

Legislation to implement the suggestion for a comprehensive study was introduced during the session as Assembly Bill No. 774. The Legislature, however, enacted this bill in its place.

I am not unmindful of the particular problems of the City of Newark and am aware of the fact that the members of the pension fund are not covered by social security. The members of this fund, however, are not the only public employees, even in the City of Newark, who are not members of social security. And, no other group of public employees in the State would be eligible to receive the benefits made available by Senate Bill No. 348. I am convinced, therefore, that a uniform approach to this important problem is essential, and I renew my suggestion for a study which could be convened quickly and concluded in short order.

Any suggestions made by such a commission would be given my prompt and serious consideration.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 359

STATEMENT

I am filing Senate Bill No. 359 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted,

following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would allow the governing body of any city of the fourth class in a county of the sixth class to provide, by resolution, for the retirement on pension of a person who has held a city office or position for 30 years, has reached the age of 70, and is not eligible to receive a pension for the same service under any other law. The pension so authorized would be non-contributory, and would be calculated on the basis of one-half of the recipient's average annual salary for the 5 years immediately preceding his retirement.

Only under the most compelling circumstances should certain individuals be singled out for special pension benefits which exceed those available to the general class of public employees under regular pension systems which they have helped to fund with their contributions. The few bills of this nature that I have approved were supported by strong showings of hardship or inequity to the individuals concerned. No such information has been supplied in this instance. Accordingly, I am filing this measure without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 367

STATEMENT

I am filing Senate Bill No. 367 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In

these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Under existing law, any county or municipality may create a local parking authority which, once established, must be accorded the power of eminent domain as well as a tax exempt status. Senate Bill No. 367 would make an exception to this general law for a single municipality, by empowering that city to create a parking authority without condemnation powers or immunity from taxation. Inasmuch as the general legislation on this subject envisions all county and municipal parking authorities as governmental bodies which must be granted the right of eminent domain and exemption from taxation in order to function effectively, I can discern no reasonable basis for stripping one particular authority of these essential prerequisites.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 60

STATEMENT

I am filing Assembly Bill No. 60 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14 (b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 60 would permit a member of a first class county board of education pension system to purchase up to 10 years' credit for prior service in a similar capacity in other states.

The Board of Trustees of the pension fund affected by this measure has indicated its opposition to the bill. Among other objections, the Board has pointed out that since the law does not now permit the purchase of credit even for prior service performed in this State, it would be anomalous to extend this privilege to those formerly employed in another State while continuing to exclude those with prior public service in New Jersey.

The State Division of Pensions and the Board of Trustees have indicated that it should be possible to develop a suitable and equitable plan for the purchase of prior credit. Under these circumstances, I am filing Assembly Bill No. 60 without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 61

STATEMENT

I am filing Assembly Bill No. 61 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 61 would amend P. L. 1963, c. 38 to confer automatic tenure on any county court judge who has served for 20 years successively as a judge of a district court and of a county court. It would also entitle such judges to corresponding pension and disability benefits.

In conditionally vetoing Senate Bill No. 248 of 1963, which bill was re-enacted and became P. L. 1963, c. 38, I said:

"While I have no reason to question the competency of any of our present judges, I do not believe the concept of automatic tenure to be sound. I would, therefore, suggest that such judges be nominated and confirmed at least once before attaining tenure."

My views on the subject of automatic, i.e., presently legislated, tenure have not changed. In addition, Assembly Bill No. 61 pertains only to one group of county court judges. There are, however, other judges who may be equally deserving of the protection of tenure. I would suggest, therefore, that any legislation in this area should consider the question of tenure for all judges.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 106

STATEMENT

I am filing Assembly Bill No. 106 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 106 would reduce the period of service required for vesting in the Teachers' Pension and Annuity Fund from 20 to 15 years. A fiscal note attached to the bill indicates that it would cost the State more than $500,000.00 for the first year of its operation. While there is much to commend such a liberalization of the vesting requirement, I do not believe it can be considered until the State's budgetary position is resolved. This is particularly true when it

is considered that a reduction of the vesting period for the Teachers' Fund will occasion demands for similar treatment for the Public Employees' Retirement System, Police and Firemen's Retirement System and the State Police Retirement System, with attendant increases in costs to the State and local employers.

Should the Legislature take steps during its 1966 session to expand the State's revenue base, I would be willing to reconsider this measure in light of the then available resources.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 142

STATEMENT

I am filing Assembly Bill No. 142 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would authorize municipalities to prohibit parking on all streets "during a snow storm" by posting appropriate signs "at the entrances and exits of the municipality." Under existing law, such signs must be posted at intervals not greater than 250 feet on each street affected by the ban.

The purpose of this measure is to place motorists on notice of a town-wide parking restriction in a manner which does not require a needless proliferation of signs throughout the municipality. It is questionable, however, whether

the type of notice the bill would provide is sufficient to alert drivers to the prohibition. The broadly worded reference to "a snow storm" does not adequately inform the motorist whether the parking ban is intended to apply to every snowfall or only to those which result in significant accumulations. The phrase "at the entrances and exits of the municipality" also lacks the precision necessary to an effective law in this area.

The concept of Assembly Bill No. 142, however, warrants further study. If legislation can be developed which eliminates the problems outlined above, it will receive my prompt consideration.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 319

STATEMENT

I am filing Assembly Bill No. 319 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would provide that bidders on public school contracts amounting to less than $10,000.00 need no longer satisfy the prequalification requirements of P. L. 1962, c. 105, unless the local school board in its discretion should require prequalification in a given instance. The statement attached to the bill indicates that the present prequalification requirements have eliminated from bidding many small contractors. The statement further indicates that con-

tracts under $10,000.00 are "ordinarily not of sufficient importance to warrant the prequalification procedure."

The purpose of a prequalification procedure is to assure the public that a successful low bidder is qualified to perform the work in question. Such a requirement is as desirable for contracts under $10,000.00 as well as those of greater value.

If the present prequalification procedures are, in fact, discouraging competent firms from bidding on public contracts, it would be more appropriate to improve the present qualification procedures. I would suggest, therefore, that consideration be given to establishing a simplified qualification procedure for contractors who wish to compete for the type of repair or renovation contracts which stimulated Assembly Bill No. 319.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 358

STATEMENT

I am filing Assembly Bill No. 358 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 358 would generally increase from 30 to 32 years the maximum age limit for appointment to a municipal police or fire department. Unquestionably, many of our municipalities have encountered difficulties in recruiting competent personnel for their police or fire depart-

ments. This has been manifested by the numerous bills which have waived the residency requirements in various communities. Assembly Bill No. 358 approaches the same recuitment problem by permitting the employment of persons over the maximum age limit.

The existing age limitation has been fixed with due consideration for the nature of the work to be performed by our police and firemen and with regard to the retirement policies in these areas which envision retirement generally at age 55. The present structure of our statutes permits a person who becomes a policeman or a fireman at the maximum age limit to serve a full career of 25 years before reaching the normal retirement age of 55. I do not believe that this structure should be disturbed lightly.

At the same time, I can recognize that there are recruitment difficulties confronting some of our municipalities that require immediate solution. I would, therefore, be willing to consider proposals which would help alleviate these immediate problems without changing permanently the general age requirements for our police and firemen.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 373

STATEMENT

I am filing Assembly Bill No. 373 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would increase the maximum monetary jurisdiction of the Small Claims Division of the County District Court from $100 to $200. The Supreme Court has advised that such legislation could cause serious administrative and procedural problems within the court system, and might change the character of the Small Claims Division as presently constituted. I believe that the Court's objections are well taken, and I am accordingly withholding my approval of this measure.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 439

STATEMENT

I am filing Assembly Bill No. 439 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 439 is intended to establish a method for the presentation of grievances by school employees with boards of education. The bill requires each local board of education to adopt rules and regulations for establishing procedures "for the presentation of grievances by * * * employees or their recognized organizational representative." The bill, however, is completely devoid of guidelines for the resolution of grievances on the local level. It does not, for instance, indicate what constitutes a grievance, thus throwing into question the very scope of the bill. It fails to set forth the manner in which the "recognized organizational representative" is to be determined. It does not make clear whether such a representative has exclusive

bargaining rights. The bill also vests individual boards with the responsibility of establishing their own grievance procedure, thus insuring a complete lack of uniformity in this area.

Assembly Bill No. 439 only achieves a degree of specificity when it deals with the situation that occurs after local negotiations have failed. It then provides alternative procedures for the selection of a mediator through the participation of the State Commissioner of Education. As structured, therefore, the bill encourages the ultimate resolution of local disputes on a level beyond that of the local board, although every effort should be made to confine these disputes to local negotiations.

Events in the educational sphere during the past several months have only served to confirm the need for better mechanisms to expedite the resolution of grievances or controversies between local boards of education and teachers and other school employees. For this reason, I have given extremely careful consideration to this proposal. It is with great reluctance that I have concluded that it would not accomplish, in an effective manner, its stated purpose.

The welfare and education of our children must have priority over all other considerations. The schools and their pupils should not and cannot become the fulcrum for the resolution of professional or employment disputes. I have always believed that this was recognized and conceded by everyone involved in the education of our youth. In recent days, however, teacher groups, represented both by the educational associations and the unions, have resorted to a forced closing of the schools to achieve certain negotiating ends. This has caused me extreme concern and compels me to state what I had hoped was commonly understood—strikes in our public schools cannot be tolerated.

By the same token, public officials and the public itself must recognize that it cannot demand that its professional servants and its employees abdicate certain rights which are granted to those working in the private sector of our economy without taking upon ourselves a great responsibility for these people.

The difficulties which have manifested themselves in New Jersey are not unique. They are part of a nationwide pattern and problem. These nationwide failings highlight the necessity for an entirely new approach, one which will re-

cognize the legitimate concerns of our public servants and the corresponding responsibilities of our public officials.

I am assembling a task force which will undertake the duty of formulating a workable method for handling disputes in the public schools. This task is one of the more challenging problems confronting the public and one which requires an imaginative solution. I am requesting and expect the full cooperation of all teachers' representatives, local boards of education and all other involved public officials. With such cooperation, I believe that a meaningful reevaluation of this problem can be accomplished and a satisfactory procedure established.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 468

STATEMENT

I am filing Assembly Bill No. 468 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would centralize in the Division of Purchase and Property the sole responsibility for ascertaining the qualifications of bidders on all public work to be performed for the State. To a large extent the measure would merely codify the prequalification procedure now in use, and thus is unobjectionable in concept. Over a period of many years, however, the State Highway Department has developed its own prequalification procedure and classifications, and

it would needlessly disrupt the workings of the Department if such authority were to abruptly shift to another State agency. Any legislation on this subject, therefore, should expressly permit the Highway Department to continue to prescribe its own prequalification practices.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 613

STATEMENT

I am filing Assembly Bill No. 613 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would provide that if a railroad files a complaint with the Division of Tax Appeals, it must first pay to the State Treasurer "the amount of taxes not then in substantial controversy." Such payment would stay the payment or collection of the remainder of the taxes until the matter has been finally resolved by the Division and the courts. As a practical matter, therefore, this measure would withhold badly needed tax revenues from the municipalities for the substantial period of time it now takes for a case to be processed through the Division of Tax Appeals. The adverse financial impact of this bill upon our municipalities precludes approving such a change in the law.

Although railroads now enjoy this withholding privilege when a proceeding in lieu of prerogative writ is instituted to review the determination of the Division of Tax Appeals, the Division is where the real delays occur. It appears, therefore, that the solution to this problem lies not in en-

larging the withholding privilege, but in expediting the passage of valuation proceedings through the badly clogged Division of Tax Appeals.

I have directed the appropriate State officials to explore this possibility, and I am hopeful that constructive recommendations will soon be forthcoming.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 754

STATEMENT

I am filing Assembly Bill No. 754 (1965) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 754 would redefine a portion of the boundary line between the counties of Hunterdon and Somerset. The new line, as described in this bill, is identical to that contained in Assembly Bill No. 814 which I have signed into law as Chapter 203 of the Laws of 1965. Therefore, Assembly Bill No. 754 is no longer necessary and I am filing it without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1966

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

SENATE BILL No. 126

To the Senate:

I herewith return Senate Bill No. 126, without my approval, for the following reasons:

Senate Bill No. 126 would establish a mandatory procedure for an annual central inventory of "all property, both real and personal, owned by the State". Like Senate Bill No. 54 of last year, this measure would require the Director of the Division of Purchase and Property to compile an annual master list of all State holdings on the basis of yearly departmental inventory reports. Although the proponents of last year's bill then insisted that no specific appropriation would be needed to finance such a project, Senate Bill No. 126, introduced by the same sponsor, would appropriate $30,000 for this purpose.

Last year I returned Senate Bill No. 54 to the Senate, with certain recommended amendments, for the reason that the absolutely exhaustive inventory program visualized by the bill could have been accomplished, in the estimation of the Director of the Division of Budget and Accounting, only at the prohibitive cost of $330,000 for the first year of its operation and $130,000 for the following year. As an alternative, I suggested that the bill be amended to empower the State Treasurer to establish those categories of State-owned property which should be covered by an effective inventory program to be conducted at a reasonable cost commensurate with the advantages of such a program to the State. This recommendation was not adopted and Senate Bill No. 54 died with the expiration of the 1964 legislative session.

On February 1, 1965, in my Annual Budget Message to the Legislature, I repeated my belief that a central inventory program conducted along realistic lines could be useful to the State, and I requested an appropriation of $50,000 for the development of such a program. In urging the Legislature to provide this sum, I stated:

"There also is included $50,000 to begin a permanent inventory of personal and real property owned by the State. You will recall that in my recent veto message of a bill proposing a State property inventory, I indicated that an inventory as contemplated by the bill would be too costly. I proposed that more careful guidelines be established for the inventory system. This sum will permit an inventory—with efficiency and economy as its objective—to begin with needed criteria."

While the Legislature has seen fit to disregard my suggestion, it has not advanced any explanation for what I consider to be an unworkable proposal. The burden placed upon State administration would far outweigh any advantage to the State from having the type of inventory contemplated by this bill.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 11, 1966

SENATE BILL NO. 158

To the Senate:

I herewith return Senate Bill No. 158, without my approval, for the following reasons:

Under existing law, the board of chosen freeholders of each county has discretionary authority to fix the salaries of the surrogate, the register of deeds and mortgages, the county clerk and the sheriff, at any amount within the scale of maximum and minimum salaries specified by the statute. Senate Bill No. 158 would establish a new schedule of salaries which *must* be paid to these officials, with no range of permissible maximum and minimum compensation. For example, where the law now provides that the Clerk of Essex County may receive a salary between $12,000 and

$15,000 in the amount determined by the board of freeholders, Senate Bill No. 158 would provide for a salary of $20,000.

I have no doubt that in many cases the increases suggested by this bill are justifiable. The workload and the responsibility of these offices have increased significantly in past years. Indeed, many of these offices now return to the counties a substantial amount of money over and above their operating expenses.

I do not believe, however, it is appropriate for State government to establish a fixed salary for such county officers. The ultimate decision should rest within the county. For example, since the passage of this bill on December 13, 1965, I have heard from many concerned citizens who fear that the measure would arbitrarily impose further burdens upon the already overloaded tax structure in some counties. The appropriate county officials should be in a position to consider these objections. If, therefore, the new Legislature wishes to adopt a law providing for increases in the present salary ranges for county officials, I would give such a bill favorable consideration.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

SENATE BILL No. 212

To the Senate:

I herewith return Senate Bill No. 212, without my approval, for the following reasons:

This bill would permit active members of recognized volunteer fire companies to display blue flashing or revolving turret lights on their privately owned motor vehicles for use in the performance of fire or emergency duty.

The present law limits the use of flashing or turret light equipment to official emergency vehicles. This is based upon the concept that the effective use of this equipment, as a means of assuring the rapid passage of official emergency vehicles on our streets and roads, is directly related to the number of vehicles authorized to use this equipment. A widespread use of flashing or turret lights would only increase traffic chaos and impede the movement of official emergency vehicles.

Senate Bill No. 212, by permitting each individual volunteer fireman to use such equipment, would drastically increase the number of vehicles authorized to use flashing or turret lights. It could also be used as a precedent by other groups of equal stature who are seeking the use of such equipment.

Undeniably, volunteer fire companies perform many services throughout the State. I concur with those who would assist the members of these companies in the performance of their services. After a consideration of the objections raised to this bill by numerous traffic safety groups, the State Patrolmen's Benevolent Association, the State Firemen's Mutual Benevolent Association and others, however, it would appear that the possible benefits of this bill are outweighed by the detrimental effect these additional flashing or turret lights would have on the traffic in our streets.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

SENATE BILL No. 263

To the Senate:

I herewith return Senate Bill No. 263, without my approval, for the following reasons:

This bill would extend civil service protection to persons who had served in the position of special officer for a period of time prior to the date of the filing of a petition for the adoption of civil service in a municipality.

Assembly Bill No. 598 of 1965 is identical to this measure. It was approved by me on May 11, 1965 and is now P. L. 1965, chapter 46.

Accordingly, I herewith return Senate Bill No. 263 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

SENATE BILL No. 335

To the Senate:

I herewith return Senate Bill No. 335, without my approval, for the following reasons:

This bill would require each commissioner of the Delaware River Port Authority from the State of New Jersey to be a resident of the Authority's port district.

I recognize the very real interest of those counties which comprise the port district area of the Delaware River Port Authority. And, all the present New Jersey members of this Authority now are residents of the port district. I would point out, however, that this agency is a bi-state agency and its actions are matters of concern to areas and people beyond the port district itself. It would, therefore, be most inappropriate to bar from this important agency persons of ability simply because they do not reside within this stipulated area. State government would be severely handicapped in its relationship with its own agency if it were prevented from having some representation thereon which reflected the policies and programs of an incumbent

administration. It was for this reason that I nominated the State Treasurer to serve on this agency because he could reflect the concern and interest that the entire State shares in the development by this Authority of port facilities, river crossings and the Kirkwood high speed line.

It is most important that local sentiment be represented on an agency such as the Delaware River Port Authority. This representation, however, should not require the exclusion of all other interests and voices in the operation of the agency. Such provincialism does not serve any legitimate purpose.

Accordingly, I am returning Senate Bill No. 335 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

SENATE BILL NO. 342

To the Senate:

I herewith return Senate Bill No. 342, without my approval, for the following reasons:

This bill would require the New Jersey Commissioners of the Delaware River Joint Toll Bridge Commission to be residents of any one of the Counties of Sussex, Warren, Hunterdon, Mercer or Burlington. This bill is similar in concept to Senate Bill No. 335 which would have imposed a comparable residency requirement on commissioners of the Delaware River Port Authority.

I have today also returned to the Legislature Senate Bill No. 335, pointing out that the importance of representing local interests on such bi-state agencies should not be con-

strued to require the exclusion of all other interests and voices in the operation of such agencies. As is the case with the Delaware River Port Authority, all present members of the Delaware River Joint Toll Bridge Commission now actually reside within the counties named in Senate Bill No. 342. Since the past practice, both by myself and by my predecessors in office, has been to select most of this agency's commissioners from among the residents of the river counties, the restrictive provisions of Senate Bill No. 342 do not seem calculated to serve any substantial public purpose.

For these reasons and the reasons expressed in the message attached to Senate Bill No. 335, I am returning Senate Bill No. 342 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 135

To the General Assembly:

I herewith return Assembly Bill No. 135, without my approval, for the following reasons:

Assembly Bill No. 135 would require every candidate for nomination at the primary election of a political party to certify (1) that he has not voted in the primary election of any other party during the past two primary elections; and (2) that he is not a member of, or identified with, any other party or any organization supporting the candidates of another party.

Under existing law, every candidate for nomination at the primary election of a political party must certify that he is a member of that party. *R. S.* 19:23–7. According to

R. S. 19:23–45, it is not now possible for any person to be a "member" of a political party if he has voted in the primary election of any other party during the past two primary elections. As a practical matter, therefore, a candidate's certification that he is a party member necessarily includes a representation that he has not voted in the last two primary elections of any other party. The presently required certification of party membership also necessarily encompasses a denial of membership in any other political party.

The objectives of Assembly Bill No. 135, therefore, already are contained in our election laws. Because this bill would add nothing of substance, and could further confuse an area of the law which is badly in need of general revision, I herewith return the measure without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL NO. 141

To the General Assembly:

I herewith return Assembly Bill No. 141, without my approval, for the following reasons:

Under existing law, a debt arising from unpaid alcoholic beverage taxes becomes an immediate and self-executing lien upon all property of the debtor, except as against an innocent purchaser for value in the usual course of business. Assembly Bill No. 141 would amend this provision to stipulate that such a lien does not attach unless and until the Director of the Division of Taxation files with the clerk of the appropriate Court a certificate identifying the debtor and stating the amount due.

By virtue of *R. S.* 54:44–3, the Director now possesses discretionary authority to issue such a certificate for record-

ing as a docketed judgment by the court clerk, in order to provide constructive notice to those who might otherwise defeat the State's lien as innocent purchasers for value. From the viewpoint of protecting the State's interests, therefore, the bill before me would add nothing but duplication to this area of the law. The only new feature of this bill would be to cut off the State's lien in cases where a debtor might take steps to transfer property to a purchaser with notice of the debt before the Director has had an opportunity to file the necessary debt certificate. Such a transfer would be in the nature of a fraudulent conveyance, and clearly should not be condoned by law.

Moreover, the existing statutory scheme provides the State with a desirable flexibility in its dealings with different types of delinquent taxpayers. Because the State's lien now arises automatically on the due date of the unpaid taxes, the Director has the leeway to deal sympathetically with taxpayers who are unavoidably delinquent for short periods of time, and to reserve the harsher affirmative enforcement procedure for deliberate tax delinquents. This leeway would be lost if the State were required to file debt certificates in every case, without regard to whether it is pursuing a real tax delinquent or merely embarrassing an honest businessman who intends to pay his taxes in short order. Wherever possible, flexibility in government should be preserved and not discarded.

Accordingly, I am constrained to return this measure without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 157

To the General Assembly:

I herewith return Assembly Bill No. 157, without my approval, for the following reasons:

This bill would amend the law concerning pensions for Justices of the Supreme Court and judges of the Superior Court, to provide that the minimum years of judicial service required to qualify for a pension may include time served on the County and Juvenile and Domestic Relations Courts, as well as the Supreme and Superior Courts.

Earlier this year, I signed into law Assembly Bill No. 764 (P. L. 1965, c. 82) which, among other things, accomplishes the identical purpose of the bill before me. For this reason, I am herewith returning this measure without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ JAMES J. McLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 220

To the General Assembly:

I herewith return Assembly Bill No. 220, without my approval, for the following reasons:

This bill would expand the definition set forth by the Public Employees' Retirement System law of "law enforcement officers", to include "any permanent and full-

time active county detective, lieutenant of county detectives, captain of county detectives, chief of county detectives, and county investigator in the office of the county prosecutors''.

This change already has been accomplished by the enactment of P. L. 1965, c. 64 approved by me on May 28, 1965. Chapter 64 amended the definition of ''law enforcement officers'' to include persons holding the titles specified by Assembly Bill No. 220, as well as certain officers, patrolmen and inspectors employed by the Department of Conservation and Economic Development.

Accordingly, I herewith return Assembly Bill No. 220 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 13, 1965.

ASSEMBLY BILL No. 223

To the General Assembly:

I herewith return Assembly Bill No. 223, without my approval, for the following reasons:

The transfer inheritance tax law provides for the deduction of the ''ordinary'' expenses of administration of a decedent's estate, including the ''ordinary'' fees of executors, administrators and attorneys, in determining the taxable value of the property transferred. Where fiduciaries' commissions and attorneys' fees are fixed by a court, deductions in the full amount allowed by the court invariably are accepted by the Transfer Inheritance Tax Bureau without question. A problem arises, however, where the parties interested in the decedent's estate undertake to award commissions and fees by private agreement among themselves, without a judicial proceeding. In such instances, it has been the practice of the Bureau to independently review

the reasonableness of the amount allowed in fees and commissions, and to refuse to permit a deduction in excess of the amount it deems reasonable or "ordinary".

Assembly Bill No. 223 would eliminate this administrative practice by allowing the deduction in full of all fees and commissions fixed by private agreement, as well as those determined by a court of competent jurisdiction. Under this measure, the Transfer Inheritance Tax Bureau no longer could look behind the determination of the beneficiaries and other interested parties as to what are proper fees and commissions, but would be bound to allow deductions in the full amount of the commissions and fees agreed upon.

Some proponents of this measure have accurately observed that the Bureau's practice of reviewing the reasonableness of fees and commissions fixed by agreement tends to "force" fiduciaries into court for a judicial computation or approval of the amounts to be allowed. If I shared the view that it is desirable to avoid judicial settlement of fiduciaries' accounts in favor of private agreements fixing fees and commissions, the arguments advanced in support of this bill would have merit. However, I cannot accept the premise that it is in the public interest to encourage such out-of-court allowances by private agreement, particularly where substantial estates are concerned. While I recognize that this practice has received some legal sanction (*In re Hack,* 105 *N.J. Eq.* 334 (*Prerog. Ct.* 1929)), I also detect a strong and long-standing public policy, enunciated in our statute books, of having the courts pass upon the reasonableness and fairness of fiduciaries' commissions according to the standards and the maximum rates established by law. *N.J.S.* 3A:10–1 and 2. Since my approval of Assembly Bill No. 223 would provide further incentive for bypassing the judicial process in this regard, I am returning this measure without my signature.

At the same time, I realize that there are instances, usually involving relatively modest estates, in which judicial review of commissions and fees can cause delays and expenses that may be unwarranted under the circumstances. In such cases, I tend to agree that the Transfer Inheritance Tax Bureau should not sit in judgment on the reasonableness of fees and commissions allowed by private agreement. Where this line should be drawn is a matter for further study, and I have requested the Director of the Division of

Taxation to hold himself available for discussion and cooperation with the proponents of Assembly Bill No. 223. If a new bill can be prepared along the lines of the considerations projected by this message, I will be pleased to give such a measure my prompt and favorable attention.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 367

To the General Assembly:

I herewith return Assembly Bill No. 367, without my approval, for the following reasons:

Assembly Bill No. 367 would establish a new category of fishing license known as "the residents' family fishing license", which would permit a family consisting of "parents and their children between the ages of 14 and 18" to fish on a single license for an annual fee of $10.00.

In predicating a reduced fishing license rate upon a community of family interest in a wholesome recreational activity, this measure embodies an appealing idea which has my full support. As drawn, however, the bill presents certain problems.

The basic difficulty lies in the projected issuance of one license to cover the entire family unit, as opposed to the more feasible alternative of granting an individual license at reduced rates to each member of the family. The Division of Fish and Game now receives approximately $60,000 per year in federal aid, under a formula based on the number of fishing licenses issued by the State. A single license for each family manifestly would reduce the number of licenses outstanding, and consequently could result in a substantial reduction of available federal assistance.

Moreover, the single license approach, as set forth in this bill, raises serious questions of administrative interpretation and enforcement. Does the reference to "parents and their children" contemplate that family groups with only one living parent should be excluded? Must the family unit reside under a single roof to be eligible? Would the family license entitle the family to fish only as a group? If allowed to fish separately, how could individual family members identify themselves to law enforcement officers as licensees if another member has physical possession of the single license at the time? These and other related matters require further consideration by the Legislature if a meaningful bill is to be produced.

In addition, the provisions of a replacement bill should conform with Senate Bill No. 24, which I approved earlier this year (P. L. 1965, c. 115), in order to avoid a problem of implied repeal. Should a revised bill be prepared along these lines, it will receive my prompt and favorable consideration.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. McLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 11, 1966.

ASSEMBLY BILL No. 404

To the General Assembly:

I herewith return Assembly Bill No. 404, without my approval for the following reasons:

Assembly Bill No. 404 would create a bipartisan legislative commission "to make a continuing study of the dissemination of obscene publications and, if warranted, recommend the enactment of remedial legislation to curb the distribution of such publications."

When this bill was introduced on February 1, 1965, it provided that the commission should consist of 4 legislators

and 4 citizen members appointed by the Governor from among the public at large. The bill in its original form also appropriated to the commission the sum of $10,000.00. It was my firm belief that such a panel, constituted so as to provide for direct participation by the people through its citizen members, and equipped with adequate funds to do its work, could make a real contribution in this important area. On that basis, I publicly stated that I favored Assembly Bill No. 404.

Unfortunately, however, the Legislature did not pass this bill in its original form. Over the protests of its principal sponsor and many others, the bill was watered down by restrictive amendments to the point where it has lost much of its force. The most damaging of these amendments reduced the public membership from 4 to 2, thereby depriving the people of an effective voice in the commission's affairs. Operating in a field which encompasses so many divergent shades of public opinion, this commission in particular should have a large enough public membership to accommodate all responsible viewpoints and to guarantee effective participation by the people.

Another amendment cut the proposed appropriation of $10,000.00 to $5,000.00. No explanation was made for such an exercise of "economy" in so important an undertaking. I do not believe that such a limited appropriation can finance the comprehensive study visualized by this bill.

For these reasons, and with the concurrence of the principal sponsor of Assembly Bill No. 404, I am returning this bill without my approval. As a first order of business during the next legislative session, I shall seek to have a commission on obscenity constituted with 8 public members and an appropriation of $25,000.00. I would hope that the new Legislature will join in creating this worthwhile commission.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 8, 1965.

ASSEMBLY BILL No. 445

To the General Assembly:

I herewith return Assembly Bill No. 445, without my approval, for the following reasons:

Assembly Bill No. 445 would authorize the courts to require defendants in matrimonial actions to pay the county probation officer a collection "fee" of up to $0.50 for each installment of alimony or support paid through the county probation office.

This measure is identical to Assembly Bill No. 371 of 1964, which I returned to the Assembly without my approval for the following stated reasons:

> "The bill appears to reflect the thesis that the expense of such collections should be included in the costs of litigation because the collection facilities of the county probation office are principally designed to serve the private interests of the litigants. But the public also has a substantial interest in the prompt, regular and efficient enforcement of alimony and support orders. Experience has demonstrated that absent such enforcement, many beneficiaries would be receiving some form of public welfare payments to the manifest financial detriment of the public at large. Additionally, an extra charge of up to $26.00 a year might, in some cases, stimulate efforts to avoid this procedure or to have the amount of the judgment reduced to take the collection fees into account. Such efforts would be incompatible with the public welfare.
>
> "Since the public as well as the litigants has a definite stake in the effective continuation of this method of collection by the county probation office, the costs of collections constitute a legitimate governmental expenditure which should not be passed on to the particular individuals involved."

These observations continue to represent my views on this subject. Accordingly, I herewith return Assembly Bill No. 445 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 447

To the General Assembly:

I herewith return Assembly Bill No. 447, without my approval, for the following reasons:

This bill would require the head of every State, county and municipal department, office or bureau to grant leaves of absence with pay for members of the New Jersey State Association of Chiefs of Police to attend not only the annual conferences of the Association but the regular monthly meetings as well.

While I am fully cognizant of the beneficial work done by the New Jersey Association of Chiefs of Police and would in no way minimize the importance of that organization, I am, nevertheless, constrained to question the wisdom of general legislation which would make it mandatory upon governmental employers to extend paid leaves of absence to chiefs of police so that they could attend monthly meetings.

At the present time, such a privilege is not available to any organization. By way of contrast, the members of more than 30 organizations can attend their annual conventions without loss of pay or vacation and more organizations are added to the list every year. If, however, I were to approve this bill and authorize leaves of absence for monthly meetings, the door would be open and the inevitable would occur.

Because of the undesirable precedent Assembly Bill No. 447 would create, I must return it without my approval.

I am willing, however, to consider legislation authorizing leaves of absence for chiefs of police to attend the annual conference provided said leaves are subject to the general limitations set forth in section 38:23–2 of the Revised Statutes.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 11, 1966.

ASSEMBLY BILL No. 483

To the General Assembly:

I herewith return Assembly Bill No. 483, without my approval, for the following reasons:

Under existing law, all persons confined in a county jail or penitentiary are eligible to have their sentences reduced for good conduct, by action of the board of freeholders or its committee on the discharge of prisoners. Upon a subsequent conviction, however, the time remitted from the first sentence is automatically added onto the new sentence.

Assembly Bill No. 483 would delete this latter provision from the law, and I have no basic objection to such a deletion. But the bill also would create a new class of offenders —persons convicted of (1) driving under the influence of liquor or drugs; or (2) causing death by automobile—who could no longer receive remission of their sentences for good behavior. It is this feature of the bill which constrains me to return it unsigned.

The offenses which this bill would single out for special treatment undoubtedly are among the most serious for which commitment to a county institution can be prescribed. But they are not worse than many of the high misdemeanors punishable by lengthy terms in the State Prison. Yet under our penal system, all State Prison inmates, from murderers

on down, are eligible to have their sentences reduced for good conduct. Moreover, the offense of causing death by automobile may be punished by imprisonment in either the State Prison or a county institution, depending on the circumstances involved and the severity of the sentence. If a flagrant offender committed to State Prison is eligible for time off for good behavior, it would be anomalous to deny the same privilege to an offender sentenced to the county jail because his conduct was not so heinous as to warrant a State Prison sentence.

This bill, then, would run counter to the basic policy the Legislature has established in this area. I am accordingly returning Assembly Bill No. 483 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 13, 1965.

ASSEMBLY BILL No. 605

To the General Assembly:

I herewith return Assembly Bill No. 605, without my approval, for the following reasons:

Assembly Bill No. 605 is designed to divest the State of New Jersey of its entire interest in all riparian lands which, by reason of their present or former location above mean low tide, are commonly known as meadowlands. The bill would attempt to accomplish this objective by revising the common law definition of riparian lands to exclude meadowlands from its scope.

Like Assembly Bill No. 44 of last year, which I also returned to the Assembly without my approval, this measure is intended to solve the complex meadowlands title questions which have perplexed this State for many years by the simple expedient of surrendering the State's claim to all

such property. The value of the State's meadowland interests cannot be calculated precisely, but it has been estimated to exceed $100 million. For example, of the 25,000 acres in the Hackensack Meadowlands alone, some 12,000 acres are completely undeveloped and in their natural state. In all, the State's ownership claims to meadowlands, in the words of the New Jersey Commission to Study Meadowland Development, "may be worth untold millions of dollars." Yet under this bill, the rights of the State to such property would be relinquished entirely.

Many persons have reviewed Assembly Bill No. 605 with regard to the legality of such a proposal. The Legislature's own Commission to Study Meadowland Development sent a preliminary report to each member of the Senate prior to the passage of this bill, stating unequivocally that the bill is unconstitutional. The Commission said:

> "It is our considered conclusion that Assembly Bill No. 605 is inherently unconstitutional. Any legislative act, including one that simply restates the meaning of riparian lands, is constitutionally void if its effect is to deprive the School Fund of assets it now enjoys without adequate consideration. We are confident that the Courts of this State would so hold and, for this reason, deplore the suggestion that the bill be enacted and the decision be left to those Courts. Prompt resolution of these title problems is too urgent to sanction the fruitless delay built into this approach."

Subsequent to the passage of Assembly Bill No. 605, the Commission amplified its views in a final report, stating:

> "The power to dispose of its tidal lands is an attribute of state sovereignty, one that New Jersey has exercised in various ways from its earliest days. It is a power that must adhere, however, to the limits placed upon it by the State Constitution. The most significant of these limits is found in Article VIII, sec. IV, which creates the Fund for the Support of Free Public Schools, to which the Legislature, in 1894, dedicated all state-owned tidal lands. By its terms, the Fund is 'perpetual' and its assets can not be used 'for any other purpose', nor may the Legislature be party to any arrangement for disposing of tidal lands that would impair the corpus of the Fund. Thus, in all its dealings with the tidal lands, the State must regard itself as a

conservator of the fund—a role that can not be abandoned under the present Constitution.

* * * *

"The Legislature twice within the last year has passed bills which if signed into law would purport to close out the dispute over Meadowlands titles. Similar in their tone, the 1964 bill, A. 44, and the 1965 bill, A. 605, would abdicate the State's claim to (and, thus, the School Fund's interest in) the Meadowlands. Under A. 44, which Governor Hughes vetoed in January, assessed owners could establish a paramount title essentially by adverse possession. Under A. 605, which is now before the Governor, the age-old definition of 'tidal lands' is restated to exclude Meadowlands from its purview. Apart from the doubtful wisdom of depriving the School Fund of an ownership claim which may be worth untold millions of dollars, both measures violate the Constitutional bar against impairing the Fund corpus. However urgent the need to solve the titles dispute, unconstitutional legislation is not the answer."

I can find nothing in the history of this measure which impels me to doubt the wisdom and morality of the Commission's conclusion in this respect. Everyone agrees that the meadowlands problem must soon be resolved so that this valuable property can be developed in a manner consistent with the interests of the State. The solution, however, cannot ignore the patent equities of the State and the involved municipalities, as well as those of the private owners of record. It cannot ignore the fact that while some meadowland owners of record have occupied their property for many years and have developed it at great expense, there are also those who have acquired little more than paper title to meadowlands at tax foreclosure sales or by quit claim deed and who would realize great and perhaps undeserved benefits if a bill like this were approved. And, finally, at a time when improved public education is among the most urgent of all governmental concerns, the solution to this problem cannot ignore the constitutional commitment of the State's meadowland interests to the Fund for the Support of Free Public Schools.

The above observations are made with the realization that it is far easier to criticize an unsound approach than to provide a positive answer. The meadowlands situation is

urgent, but I am hopeful that it will shortly be resolved. While I have reservations as to some of the proposals put forth by the Meadowland Commission, I believe that the Commission's report in general furnishes a useful frame of reference within which the movement toward a just and lawful result can be initiated. Toward that end, I shall recommend to the new Legislature that the Commission be reconstituted immediately for the purpose of working directly with the Meadowlands Regional Development Authority and the Department of Conservation and Economic Development on the preparation of legislation that will properly satisfy the legitimate interests of all parties concerned. Every effort must be made to place specific proposals in this regard before the Legislature during the forthcoming session.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 29, 1965.

ASSEMBLY BILL No. 621

To the General Assembly:

I herewith return Assembly Bill No. 621, without my approval, for the following reasons:

This bill would require the mailing of sample ballots and notices of election to the registered voters of each school district in which elections are held pursuant to chapter 7 of Title 18, at least 10 days prior to every school election. The cost of such mailing would be borne by the local boards of education.

Under existing law, not less than 7 notices of election must be posted throughout a school district at least 10 days before a school election, and elections also must be advertised at least one week in advance in a newspaper circulating in the school district. *R. S.* 18:7–15, 46.

Additionally, in districts where voting machines are used, local boards of education are now empowered to mail sample ballots if, in the judgment of the board, the public interest would be served thereby. *N. J. S. A.* 18:7–47.6. While this authority might well be extended to encompass districts in which paper ballots are used, it would seem that the law now generally provides adequate safeguards to insure that voters are properly informed as to the occurrence of, and the issues involved in, school elections.

Both education officials and municipal authorities have indicated to me their opposition to the mandatory requirements of this bill.

I am constrained, therefore, to return Assembly Bill No. 621 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JAMES J. MCLAUGHLIN,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 11, 1966.

ASSEMBLY BILL No. 658

To the General Assembly:

I herewith return Assembly Bill No. 658, without my approval, for the following reasons:

This bill, which would permit a hospital to destroy a patient's medical records 7 years after his discharge, or, in the case of a minor, upon his reaching age 23 if that is a longer period, and which would permit the destruction by a hospital of all x-ray film after 5 years, was passed in the Senate under emergency resolution on December 13, 1965. On December 23, 1965 the bill was presented to me for action and under the terms of the Constitution I am obliged to act today.

In the brief period since its passage, I have received favorable comment from many hospital and medical spokes-

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men on Assembly Bill No. 658. It has been stated that, if enacted, the bill would save our hospitals many thousands of dollars now spent in storing unneeded medical histories. However, I have also received statements from equally responsible sources indicating their great concern about the destruction of these medical records. It is argued that records more than 7 years old of prior hospitalization can be of assistance in the diagnosis and treatment of disease.

Unlike many of the measures which come before me, Assembly Bill No. 658 proposes action which, once taken, could never be undone. Records, once destroyed, could not be re-created. Thus, confronted with conflicting opinions as to the merits of this bill and without sufficient time in which to resolve that conflict, I find it necessary to withhold, for the time being, my approval of Assembly Bill No. 658.

In light of the possible economies to be affected, I remain willing to consider a measure such as Assembly Bill No. 658 if it can be established clearly that the destruction of such patient records would be in the public interest and consistent with the well-being of the former patients.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 11, 1966.

ASSEMBLY BILL NO. 720

To the General Assembly:

I herewith return Assembly Bill No. 720, without my approval, for the following reasons:

Assembly Bill No. 720 is intended to legalize the distribution of door prizes "at an entertainment or other event sponsored and conducted by a nonprofit organization", provided only that the price of admission does not reflect a charge for the right to participate in the contest. The bill

places no limitations on the value or the kind of prizes which may be distributed—presumably the prize could be $1 million in cash—and no legal machinery is provided for a determination whether a given sponsor is in fact a "nonprofit organization", or whether a patron is paying more for the right to participate in the drawing than for admission to the "entertainment or other event".

Undoubtedly the proponents of this bill seek no more than to permit bona fide social clubs to conduct raffles of moderately priced prizes to enliven their dances, dinners and other recreational affairs. Conversely, I would assume there is no intent to legalize out-and-out lotteries run by and for the sole benefit of professional gamblers. But under the broad wording of this bill, such a result could occur. It would not be difficult for anyone to organize a "nonprofit organization" for the sole purpose of holding lotteries, with all proceeds going for "expenses" and "salaries" of officers and employees. And so long as some form of "entertainment" or other window dressing is provided at a nominal cost to the sponsor, who is to say whether a patron is paying for entertainment or for potential enrichment? This bill, in short, could open the door to unlimited possibilities for subterfuge and circumvention of our anti-lottery laws.

In this connection, it is impossible to ignore the clear mandate of our Constitution that "no gambling of any kind shall be authorized by the Legislature unless the specific kind, restrictions and control thereof" are sanctioned by direct vote of the people on referendum. *Art.* IV, *Sec.* VII, *par.* 2. In 1953 the people did act by direct vote to authorize the types of lottery known as bingo and raffles under tight legislative restrictions and controls, and subject to local option. This authorization took the form of a closely worded constitutional amendment which limited the operators to "bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, volunteer fire companies and first-aid or rescue squads", with all proceeds going to "educational, charitable, patriotic, religious or public-spirited uses". Upon the adoption of the amendment much attention was given to the subject of effective control, and the Legislature created the Legalized Games of Chance Control Commission to supervise and regulate this delicate area. If I were now to approve Assembly Bill No. 720, these safeguards against the obvious evils which could ensue from any form of gambling would be swept aside.

The sponsors of this bill, recognizing the constitutional difficulties, nevertheless rely heavily upon my action last year in approving a bill to legalize box-top contests. I then observed that, although there was some doubt as to the constitutionality of even a box-top bill, "box-top contests, as I know them, are innocuous, recreational activities which do not partake of the social evils inherent in the virulent types of gambling which the constitutional prohibition brings immediately to mind. Such contests could be characterized as gambling events only in the most technical and legalistic sense, if at all. This is clearly an instance in which constitutional doubts should be resolved in favor of the bill." The proponents of Assembly Bill No. 720 say that the door prize distributions contemplated by their bill are equally "innocuous" and should receive similar treatment. I cannot agree.

The original version of the bill I approved last year would have legalized door prize distributions as well as box-top contests in the broadest terms. For this reason I conditionally vetoed the measure to limit its scope to box-top contests which, as indicated above, I believe are arguably outside the scope of "gambling" *if they are not used as a subterfuge for conducting an ordinary lottery.* To forestall this possibility, I recommended that the bill be amended to limit itself to legitimate box-top contests in language so narrow and specific as to make circumvention impossible. I signed the bill only after this was done. Moreover, in my conditional veto message, I stated that:

> "[I]t is not appropriate for the Legislature and the Governor to broadly legalize [such] contests * * * without submitting such a proposal to the will of the people in accordance with the plain mandate of the Constitution. This is too sensitive and dangerous an area to admit of such abstractly worded legislation. Additionally, the bill's breadth of language, in conferring blanket approval upon door prize distributions, might undo by legislation the restrictions and controls imposed by the people upon bingo and raffles when they amended the Constitution by referendum in 1953 to permit those activities in certain instances under tightly specified conditions."

It seems to me that these objections now apply with equal force to Assembly Bill No. 720. Regardless of the innocence of the sponsors' purposes, the bill is so general in its terms

that the opportunities for circumvention in the form of professional gambling would be limited only by the ingenuity of the human mind. In its application to door prize distributions, the measure would improperly invade an area in which the people have spoken directly by amending the Constitution to permit raffles to be conducted only under strict conditions and supervision. It is not for the Legislature, or the Governor, to nullify the expressed will of the people in the manner proposed by this bill. Accordingly, I am returning Assembly Bill No. 720 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 11, 1966.

ASSEMBLY BILL No. 768

To the General Assembly:

I herewith return Assembly Bill No. 768, without my approval, for the following reasons:

Assembly Bill No. 768, which has been commonly referred to as the anti-obscenity bill, undertakes to set forth specific definitions of the word "obscene" with regard to the exposure, sale, loan, gift or distribution of items to children under the age of 18 years.

The uttering or exposing of obscene literature or pictures has been a crime in New Jersey for many decades. In recent years, the sale or distribution of obscene material to children under the age of 18 has been made a high misdemeanor.

During my first year of office, these general statutes were strengthened by legislation, sponsored in part by the primary sponsor of Assembly Bill No. 768, and approved by me. Chapter 165 of the Laws of 1962 incorporated into our criminal statutes concerning indecency and obscenity, the definition of "obscenity" applied by the U. S. Supreme Court in *Roth* v. *U. S.,* 354 U. S. 476. Another law further

strengthened the enforcement of the State's obscenity laws by permitting law enforcement officials to maintain an action for injunctive relief against persons who handled obscene materials. P. L. 1962, c. 166. A third law prohibited book and magazine wholesalers from distributing material, whether obscene or not, which was not requested or desired by the retailer.

Each of these statutes represented, in my opinion, a meaningful improvement in law enforcement. The validity of these statutes has been tested in the courts and sustained.

As this record demonstrates, not many persons today seriously contend that traffic in obscene material should be tolerated. And, even this number undoubtedly shrinks to an infinitesimal few on the question as to whether children should be exposed to such materials. The problem presented by Assembly Bill No. 768, therefore, is not whether the State's anti-obscenity laws should be strengthened, but whether this particular bill represents a meaningful improvement over the extensive body of law now on the New Jersey statute books. In this regard, it is significant to note that this bill does not expand existing obscenity statutes by establishing new offenses nor does it broaden the penalties applicable to existing offenses.

Assembly Bill No. 768 undertakes merely to set forth a comprehensive definition of what constitutes obscenity. It would establish several specific tests of obscenity against which publications and pictorial material would be measured. Presumably, it seeks to bring an element of certainty to an area of law which, admittedly, is most uncertain.

I can readily understand why the supporters of this legislation have favored it. I believe that most persons would favor the adoption of a workable and simple test which would permit all persons to determine whether materials are obscene under our laws. This question must be a legal one since the United States Constitution protects the right to prepare and distribute publications under the First Amendment guarantee of freedom of speech or press unless such publications are declared to be obscene and therefore beyond the protection of this great constitutional provision.

This bill may seem especially attractive to some because it contains the very detail and specificity which has been so lacking in this area. It creates, for example, what could be termed the anatomy test. If certain parts of the body

are revealed or prominently displayed in photographs or movies, the bill implies that such material is obscene. With regard to written materials, a sexual activity test is adopted. If certain sexual acts, such as sexual intercourse, are described in a book or publication, the bill implies that such materials are bad.

The draftsman of this measure, however, must have realized what some of the more ardent supporters of this legislation have not. She was astute enough to know that neither an anatomy or a sexual activity test alone would be sufficient under the requirements of the United States Constitution. So, she added certain additional qualifications to these simple tests.

She provided, for instance, that descriptions of sexual intercourse or pictures of the undraped body would be obscene only if such matters were presented in a manner

(1) as to exploit lust for commercial gain; *and*

(2) (a) which would appeal to the lust of persons under the age of 18 years; *or*

(b) which would appeal to the curiosity of persons under the age of 18 as to sex or to the anatomical differences between the sexes.

Thus, what started out to be a simple measure of obscenity necessarily developed into a formula of extreme complexity. And, it is this union of the simple on the one hand with the undeniably complex on the other that creates much of the difficulty about this bill.

It is a basic requirement of due process in criminal proceedings that a criminal statute clearly set forth the elements of the offense.

> "It is settled that a statute so vague and indefinite, in form and as interpreted, as to permit within the scope of its language the punishment of incidents fairly within the protection of the guarantee of free speech is void, on its face, as contrary to the Fourteenth Amendment. * * * * A failure of a statute limiting freedom of expression to give fair notice of what acts will be punished and such a statute's inclusion of prohibitions against expressions, protected by the principles of the First Amendment, violates an accused's rights under procedural due process and freedom of speech

or press." *Winters* v. *New York,* 333 U. S. 507, 509 (1948).

While Assembly Bill No. 768 is in some respects exceedingly definitive, the requirements that the material in question "exploit lust for commercial gain" and "appeal to the lust of persons under the age of 18 years" are so subjective as to render their application on any given occasion a matter of wide conjecture. Because of its vagueness, it is doubtful this bill can satisfy the due process requirements of the Fourteenth Amendment to the United States Constitution.

The bill also presents a very clear challenge to the constitutional protections of speech and press set forth in both our State and Federal Constitutions. Under the definition of obscenity, this bill would seek to ban the distribution of material to children which would appeal "to their curiosity as to sex or to the anatomical differences between the sexes." No court has ever held that materials can be banned as obscene simply because they deal with the question of sex itself. Again, it is doubtful that this bill can accommodate itself to the constitutional provisions which guarantee freedom of speech and press.

Assembly Bill No. 768, however, raises questions beyond those of constitutionality. I have received an unusually large number of letters and telegrams from persons, especially those involved in the teaching of our youth, who have questioned seriously this bill's provisions. The New Jersey School Library Association, The New Jersey Library Association, the New Jersey Education Association and many other groups and individuals whose concern for our children is beyond reproach have expressed their concern that this bill could seriously interfere with the orderly education of our children in many important areas.

The library associations, for example, provided me with lists of materials, all of which are in standard use by children under the age of 18, which would fall within the specific wording of Assembly Bill No. 768. Books such as illustrated versions of Dante's Inferno, the works of Chaucer, books on the fine arts and works of our leading artists such as Michelangelo and Rodin and even materials as familiar as the National Geographic Magazine would fall within the interdiction of Assembly Bill No. 768. Similarly, whole series of books now used in our schools, which are

designed to acquaint growing adolescents with the problems of sex, would fall clearly within the language of the bill unless they qualified under a further exception which purports to exclude "flat and factual statements . . . such as would be found in bona fide medical or biological textbooks."

It is true that not all such works would be held to be obscene because they may not "exploit lust for commercial gain." But, such a decision would ultimately depend upon a determination by the proper law enforcement officials. Our educators and librarians, therefore, would handle this material at their peril. I could see the wisdom of placing such a burden upon smut peddlers and those who traffic in such illicit materials. This bill, however, makes no such distinction.

The genuine concern of these educators, librarians and other professionals involved in the development and education of our children, about the possible adverse effects upon them of this legislation, cannot be ignored or dismissed. I certainly am not now in a position to state that their fears are groundless. By the same token, I cannot state that there is no need for additional legislation to contend with the continuing problem of obscenity, especially insofar as it concerns our children. I do believe, however, that any additional authority which is found necessary to provide greater protection to our children from obscene publications and materials can be expressed in a manner which would be much less disruptive to our educational institutions, our libraries and our cultural endeavors.

I am today also returning to the Legislature Assembly Bill No. 404 for the reasons expressed in the message attached to that bill. In that message I recommend that a commission be established forthwith which would undertake a careful review of the existing obscenity statutes, and of the most recent court decisions concerning this subject with a view to developing such additional legislation as may be required. I would hope that the Legislature would act promptly on this request. In that way, we can seek to achieve the laudable objectives of Assembly Bill No. 768.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ JOHN W. GLEESON,
Secretary to the Governor.

1966

STATE OF NEW JERSEY

EXECUTIVE DEPARTMENT

SENATE BILL No. 34

STATEMENT

I am filing Senate Bill No. 34 (1966) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This measure would impose a mechanics lien on real property in favor of a trust fund for certain enumerated employee fringe benefits established pursuant to a collective bargaining agreement and to which payments are required to be made by employers. If Senate Bill No. 34 were to become law, a property owner who engaged a building contractor to make repairs might find his property subject to a lien when the building contractor failed to honor an agreement with his employees to make payments into such a trust fund. In effect, the building owner would be made liable for a breach of a contract to which he is not a party.

The workingman who relies upon a promise that money will be paid into trust funds for health, welfare, retirement and other benefits must be protected against the unscrupulous employer who would fail to honor his commitment. Last year, I signed into law C. 121, L. 1966 which punishes as a disorderly person any employer who agrees to make payments into a welfare fund and thereafter knowingly and willfully fails to make such payments. Thus, the full deterrent force of the criminal law was brought to bear to protect the workingman. Sufficient time has not yet elapsed in which to determine whether C. 121, L. 1966 has been effec-

tive in eliminating the abuses at which it was aimed. If the course of action adopted last year does not solve the problem, I would be pleased to consider additional measures to protect the workingman. At this time, however, I cannot approve Senate Bill No. 34 which would give employees additional protection because that protection is given at the expense of innocent property owners.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1967.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 28, 1966.

SENATE BILL No. 423

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 423, with my objections, for reconsideration.

Senate Bill No. 423 would amend the law limiting to 9 the number of county investigators that may be appointed by the prosecutor of second-class counties to provide that, where there is a reasonable necessity therefor, the prosecutor with the approval by resolution of the board of chosen freeholders may appoint any number of additional county investigators.

Presently, the maximum number of county investigators that can be employed by any class of counties is fixed by law. This maximum number has been changed periodically by statute to reflect the need for additional personnel doing criminal investigation work based on population growth and the increased crime rate in our counties. For example, earlier this year I approved of a bill which increased from 24 to 30 the maximum number of county employees that may be appointed in first-class counties, chapter 265 of the Laws of 1966. Although I can appreciate that there may be a need for additional county investigators in several of the second-class counties, I believe this should be provided for by increasing the permissible number of county investi-

gators, in consistency with the present statutory scheme, rather than permitting the prosecutor in second-class counties to determine the maximum number of county investigators subject to the approval of the board of chosen freeholders.

I have discussed the need for additional county investigators in second-class counties with the sponsor of Senate Bill No. 423 and agree that present conditions justify an increase in the maximum number of county investigators that may be appointed in second-class counties.

Accordingly, I herewith return Senate Bill No. 423 for reconsideration and recommend that it may be amended as follows:

On page 1, section 1, line 6, delete "County" and insert in lieu thereof "Not more than 6 county".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 31, 1966.

ASSEMBLY BILL NO. 186

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 186, with my objections, for reconsideration.

Assembly Bill No. 186 revises the retirement law now in operation in Jersey City to modernize the benefit structure, including disability benefits. I am mindful of the fact that this system is purely local in operation and not supported by State contributions. For this reason I believe that great consideration must be given to the attitude of the municipality and its representatives with regard to what constitutes an adequate retirement program.

Nevertheless, State government does have a responsibility to insure that local benefit programs are generally consistent with the benefit programs available in the State systems as well as in other local programs. In addition, the State does have a responsibility to insure the financial integrity of any system legislated. Indeed, it was in recognition of this general responsibility that the State undertook a review of the local police and firemen's retirement systems and agreed to direct financial participation in the rehabilitation of the Consolidated Police and Firemen's Pension Fund.

The State Division of Pensions has reviewed this legislation and has suggested that the provisions relating to disability be amended to conform to the provisions which have recently been adopted in the police and firemen's pension laws. It has also been suggested that the retirement benefits be modified somewhat so that they conform generally with the benefit provisions of other laws. I believe these suggestions are sound. With these modifications, the Jersey City pension program will be comparable to the other pension programs available to public employees generally while providing a meaningful improvement in the benefits available to the municipality's employees.

Accordingly, I herewith return Assembly Bill No. 186 for reconsideration and recommend that it be amended as follows:

On page 2, section 1, line 30, after the word "surviving" insert "unremarried".

On page 2, section 1, line 44, add the following new sentence: "The dependency of such a parent will be considered terminated by marriage of the parent subsequent to the death of the member.".

On page 3, section 1, line 52, after line 52, add the following new subsection:

"(k) 'Child' shall mean a deceased member's unmarried child under the age of 18.".

On page 3, section 2, line 18, delete "or any part" and ", as he may elect,".

On page 3, section 3, line 22, add the following new sentence: "In the event that such member retires before he completes the payment for all of his prior serv-

ice credit, credit for such service shall be given in direct proportion as the amount paid bears to the total amount of the obligation.''.

On page 4, section 2, line 51, delete ''calculated in accordance with the rules of the commission''.

On page 5, section 3, line 9, add the following new sentence: ''The benefit increment of ½ of 1% shall apply only to members as of the effective date of this amendatory act.''.

On page 5, section 3, line 26, delete ''2½%'' and insert in lieu thereof ''2%''.

On page 5, section 4, line 4, before ''Any'' insert ''(a)''.

On page 5, section 4, lines 5 to 7, delete ''except as a result of personal injuries sustained in or from an accident arising out of or in the course of his employment,''.

On page 6, section 4, lines 14 through 21, delete these lines in their entirety and insert in lieu thereof:

''(b) Any member who shall become permanently and totally disabled as a direct result of a traumatic event occurring during and as a result of the performance of his regular or assigned duties and where such disability is not the result of the member's willful negligence and the member is mentally or physically incapacitated for the performance of his usual duty and of any other available duty shall, by resolution of the commission or upon application of such member and approval thereof by the commission, and in either case pursuant to the certificate of a physician or physicians designated for that purpose by the commission, be retired on a pension equal to ⅔ of his final salary. The application to accomplish such retirement must be filed within 5 years of the original traumatic event.''.

On page 6, section 4, line 31, delete ''and that'' and insert in lieu thereof, ''or if''.

On page 6, section 4, lines 32 and 33, delete ''or is able to engage in a gainful'' and insert in lieu thereof ''an'', and delete ''and if the commission concurs in this report,''.

On page 6, section 4, line 34, delete "then earnable by him" and insert in lieu thereof, "of his earnings".

On page 6, section 4, line 35, delete "his final salary" and insert in lieu thereof "the salary now attributable to his former position".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ JOHN W. GLEESON,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 5, 1966.

ASSEMBLY BILL No. 305

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 305, with my objections, for reconsideration.

This measure would permit persons holding public office, position or employment with any county or municipality or any board, body, agency or commission thereof or any board of education to have deductions made from their pay, with their employers' concurrence, to be paid over to a credit union the membership of which is limited to public employees. The objective of the bill—the establishment of a method whereby thrift is encouraged through the convenience of payroll deduction—is praiseworthy and has my complete support. Certain technical defects in the bill, however, require me to suggest several amendments.

Assembly Bill No. 305 is designed to give both the employee and the employer a choice in the matter of making deductions for credit unions. The language employed, however, does not clearly achieve that result. While the employer's concurrence in the employee's decision to have a portion of his pay directed to a credit union is to be expressed by resolution, the bill speaks only of a resolution of a board, body, agency or commission of a county or

municipality. It does not expressly provide for a resolution of the county or municipality or a resolution adopted by a board of education.

Accordingly, I herewith return Assembly Bill No. 305 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 3, delete "of any".

On page 1, section 1, line 8, after "resolution" insert "of the governing body of any county or municipality or by resolution".

On page 1, section 1, line 9, after "commission" insert "or board of education".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 5, 1966.

ASSEMBLY BILL No. 336

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 336, with my objections, for reconsideration.

Assembly Bill No. 336 would amend the law concerning the Consolidated Police and Firemen's Pension Fund to increase the pension payable to certain widows of police or firemen from $1,200 to $2,000 per year. The Consolidated Fund is one of the few public pension systems in the State which provides a specific pension allotment for widows, separate and apart from the pension which is payable to the retired member. Members of the Police and Firemen's Retirement System, the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund are not entitled to a comparable widows' allowance

in the case of non-service-connected deaths. Members of such funds must accept a reduction in their basic pension allowances if they wish to make specific provision for a surviving spouse. The idea of a fixed widow's pension has not been favored in recent years because of the tendency of a dollar allotment to become obsolete. Indeed, the efforts of the members of the Consolidated Fund to increase the dollar allotment to surviving spouses highlights this shortcoming.

When I took office in 1962, the consolidated widows' pension for non-service-connected deaths was $1,000 and had been at that level for more than 40 years. In recognition of the inadequacy of this sum, I supported and approved legislation which increased the widows' allowance to its present $1,200 level. I later indicated my willingness to consider a further increase in this allowance because of its continuing inadequacy.

It is, therefore, with the greatest reluctance that I find myself compelled to conclude that I cannot approve the entire increase contemplated by this legislation. A consideration of the financial implications of this increase as well as a comparison of the treatment accorded widows in all other systems, however, seems to dictate such a conclusion.

According to the fiscal information supplied to me by the State Division of Pensions, Assembly Bill No. 336 would cost local employers more than $48 million over the remaining 18-year funding period for this pension system. It would cost State government approximately $24 million over the same period of time. These costs would have to be added to police and fire pension obligations which are now costing local employers in excess of $25 million per year and State government more than $5 million per year. Indeed, in the last five years, local contributions to the police and fire pension funds have increased by more than forty per cent, in large part due to the increased benefits approved in 1962 and the liberalization of the police and fire pension systems authorized in 1964.

In addition to these costs, I have been informed that the police and fire groups are interested in a revision of the Police and Firemen's Retirement System, including the establishment of a comparable widows' benefit in this new and larger system, which could cost local employers as much as an additional $8.5 million a year.

While we in State government have every reason to give sympathetic consideration to groups such as the widows here in question, we have the corresponding obligation to recognize the financial impact that such proposals will have upon our local governing units. The cost involved in the pension increase contemplated by Assembly Bill No. 336 would become mandatory expenditures of our municipalities and would require the greatest expenditures in our oldest cities which are among the least able to absorb additional financial burdens.

In an effort to balance the very real needs of these widows as against the very real problems of our municipalities, I am recommending that Assembly Bill No. 336 be amended to provide for each widow of a member of the Consolidated Police and Firemen's Pension Fund a pension of at least $1,600 a year and providing that hereafter any person qualifying for widows' benefits shall receive a pension equal to twenty-five per cent of her spouse's final average compensation but not less than $1,600. This would increase the pension of each of these widows by at least one third while providing a flexible method for computing the pension amount for widows. This percentage figure should be of particular benefit to those who will retire hereafter.

At the same time, I would suggest that the Legislature authorize, early next year, a restudy of the inadequate pension supplement law which was adopted in 1958, P. L. 1958, C. 143. This law was designed to supplement the pensions of members of the various public pension programs supported by the State who had retired prior to 1955. The benefits provided under this act are limited to the retired member and are not available to a spouse. It would seem appropriate to consider an updating and an expansion of this program at this time. It is quite possible that under such a general program, the widows in the Consolidated System could justifiably be eligible for even greater compensation but they would receive such additional amounts based on an orderly formula which would also be available to the widows drawing pensions under the other retirement systems.

Accordingly, I herewith return Assembly Bill No. 336 for reconsideration and recommend that it be amended as follows:

On page 1, title, delete the title in its entirety and insert in lieu thereof "An act to amend sections

43:16–3, 43:16–4 and 43:16–17 of the Revised Statutes, and repealing section 2 of P. L. 1960, c. 108, and sections 2 and 3 of P. L. 1962, c. 40.''

On page 1, section 1, lines 1 through 6, delete section 1 in its entirety.

On page 1, section 2, line 1, delete ''2.'' and insert in lieu thereof ''1.''

On pages 1 through 3, section 2, lines 2 through 50, delete these lines in their entirety and insert in lieu thereof:

''(a) Upon the receipt of proper proofs of the death of a member who shall not have lost his life while on duty, there shall be paid to his widow or dependent widower a pension of 25% of the member's average salary, for the use of herself or himself, to continue during her or his widowhood, plus 15% of such salary payable to one surviving child or plus 25% of such salary to 2 or more surviving children; if there is no surviving widow or dependent widower or in case the widow or dependent widower dies or remarries, 20% of the member's average salary will be payable to one surviving child, 35% of such salary to 2 surviving children in equal shares and if there be 3 or more children, 50% of such salary will be payable to such children in equal shares; if there is no surviving widow, dependent widower or child, 25% of the member's average salary will be payable to one surviving dependent parent or 40% of such salary will be payable to 2 surviving dependent parents in equal shares.

''(b) Upon the receipt of proper proofs of the death after retirement of a former member of the pension fund, there shall be paid to his widow or dependent widower a pension of 25% of the member's average salary for the use of herself or himself, to continue during her or his widowhood, plus 15% of such salary payable to one surviving child or plus 25% of such salary to 2 or more surviving children; if there is no surviving widow or dependent widower or in case the widow or dependent widower dies or remarries, 20% of the member's average salary will be payable to one surviving child, 35% of such salary to 2 surviving children in equal shares and if there be 3 or more children, 50%

of such salary will be payable to such children in equal shares.

"(c) The changes in benefits provided by subsections (a) and (b) of this section shall apply only to pensions hereafter granted; provided, however, that any pension in an amount less than $1,600.00 per annum presently being paid or to be paid in the future, pursuant to section 43:16–3 of the Revised Statutes, to a widow of a policeman or fireman who did not lose his life while on duty or who died following retirement, shall be increased to $1,600.00 per annum."

On page 3, after section 2, line 50, insert the following new sections:

"2. Section 43:16–4 of the Revised Statutes is amended to read as follows:

"43:16–4. [The widow of any member of such police or paid or part-paid fire department, who shall have paid into the fund the full amount of his annual assessment or contributions and shall have lost his life while on duty, shall receive an annual pension, for so long as she remains unmarried, equal to ½ of the member's average salary. If there be a widow and children of the member, the pension shall be paid to the widow for the use of herself and such children. If there be such children and no widow, or if the widow dies, the pension which the widow would have received had she survived, shall be paid to those children who have not reached 18 years of age, in equal shares, if there be 3 or more children; if there be 2 children, they shall be paid $40.00 each monthly; if there be but one child, he shall be paid $50.00 monthly; but in no event shall the pensions paid to the children exceed in the aggregate, the sum of $1,500.00 annually. If there be no widow and no such children under 18 years of age, the pension shall be paid to the dependent parent or parents of the deceased member; but in no event shall any pension paid to a dependent parent exceed $500.00 per annum if there be one, or exceed $375.00 per annum each if there be 2. No widow shall be entitled to a pension who shall have married the member while he was suffering from the last illness which resulted in his death.]

"(a) Upon the receipt of proper proofs of the death of a member who shall have lost his life while on duty, there shall be paid to his widow or dependent widower a pension of 1/2 of the member's average salary, for the use of herself or himself and the children of the deceased member, to continue during her or his widowhood; if there is no surviving widow or dependent widower or in case the widow or dependent widower dies or remarries, 20% of the member's average salary will be payable to one surviving child, 35% of such salary to 2 surviving children in equal shares and if there be 3 or more children, 1/2 of such salary will be payable to such children in equal shares; if there is no surviving widow, dependent widower, or child, 25% of the member's average salary will be payable to one surviving dependent parent or 40% of such salary will be payable to 2 surviving dependent parents in equal shares.

"(b) The changes in benefits provided by subsection (a) of this section shall apply only to pensions hereafter granted; provided, however, that any pension in an amount less than $1,600.00 per annum presently being paid or to be paid in the future, pursuant to section 43:16–4 of the Revised Statutes, to a widow of a policeman or fireman who lost his life while on duty, shall be increased to $1,600.00 per annum.

"3. Section 43:16–17 of the Revised Statutes is amended to read as follows:

"43:16–17. The following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meaning:

(1) 'Member' shall mean a person who on the effective date of the act of which this act is amendatory, that is on July first, one thousand nine hundred and forty-four, was a member of a municipal police department or paid or part-paid fire department or county police department or a paid or part-paid fire department of a fire district located in a township and who has contributed to the pension fund established under chapter sixteen of Title 43 of the Revised Statutes and shall hereafter contribute to said fund.

(2) 'Active member' shall mean any 'member' who is a policeman, fireman, detective, lineman, driver of police van, fire alarm operator or inspector of com-

bustibles and who is subject to call for active service or duty as such.

(3) 'Employee member' shall mean any 'member' who is not subject to call for active service or duty as a policeman, fireman, detective, lineman, driver of police van, fire alarm operator or inspector of combustibles.

(4) 'Commission' shall mean the board having control of the fund and the administration of this act.

(5) 'Physician or surgeon' shall mean the surgeon or surgeons, physician or physicians who shall be called upon to determine the disability of members as provided by this act.

(6) 'Employer' shall mean the county, municipality or agency thereof, by which a member is employed.

(7) 'Service' shall mean service rendered while a member is employed by a municipal police department, paid or part-paid fire department, county police department or paid or part-paid fire department of a fire district located in a township prior to the effective date of this act for such service to such departments thereafter.

(8) 'Pension' shall mean the amount payable to a member or his beneficiary under the provisions of this act.

(9) 'Average salary' shall mean the average annual salary paid during the last three years of a member's service, or in the event he has been employed for less than three years, the average pay he received during the time he was employed.

(10) 'Beneficiary' shall mean any person or persons, other than a member, receiving or entitled to receive a pension or benefit as provided by this act.

(11) 'Dependent parent' shall mean the [father or mother] *parent* of [the deceased] *a* member who [proves to the satisfaction of the commission that such deceased] *was receiving at least 1/2 of his support from the* member [was his or her main support] *in the 12-month period immediately preceding the member's death. The dependency of such a parent will be con-*

sidered terminated by marriage of the parent subsequent to the death of the member.

(12) 'County police' shall mean all police officers having supervision or regulation of traffic upon county roads.

(13) 'Dependent widower' shall mean the man to whom a member was married before the date of her retirement or at least 5 years before the date of her death and to whom she continued to be married until the date of her death and who was receiving at least 1/2 of his support from the member in the 12-month period immediately preceding the member's death. The dependency of such a widower will be considered terminated by marriage of the widower subsequent to the death of the member.

(14) 'Widow' shall mean the woman to whom a member was married before the date of his retirement or at least 5 years before the date of his death and to whom he continued to be married until the date of his death and who has not remarried subsequent to the member's death.

(15) 'Child' shall mean a deceased member's unmarried child under the age of 18.

"4. Section 2 of chapter 108 of the Laws of 1960 and sections 2 and 3 of chapter 40 of the Laws of 1962 are hereby repealed."

On page 3, section 3, line 1, delete "3." and insert in lieu thereof "5."

On page 3, section 3, line 1, delete "January 1, 1967" and insert in lieu thereof "on the first day of the month subsequent to the lapse of 90 days following its enactment".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 380

STATEMENT

I am filing Assembly Bill No. 380 (1966) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 380 would supplement the Raffles Licensing Law, c. 5, P. L. 1954, so as to declare that the acquisition, erection, repair and maintenance of a headquarters building by a national veterans' organization or association is a patriotic and public-spirited use.

Article IV, Section VII, paragraph 2, of the New Jersey Constitution, permits the Legislature to authorize raffles in any municipality where a majority of the voters concur, provided that any organization empowered to hold raffles devotes the entire net proceeds of such games of chance to educational, charitable, patriotic, religious or public-spirited uses. Neither the Constitution nor the Raffles Licensing Law defines "patriotic" or "public-spirited."

Through the years, there has developed a practice within the Legalized Games of Chance Control Commission of considering each request for permission to use funds derived from raffles in light of the purpose to which the money is to be put. Where it appears that the funds will be used to confer a benefit primarily upon the membership of an organization as opposed to the general community, the Commission has exercised its discretion to deny such requests. Thus, the Commission might readily approve the request of a veterans' organization to use raffles' proceeds to erect a reading room containing patriotic literature but reject an application for authorization to construct a cocktail lounge.

If Assembly Bill No. 380 were to become law, the effect would be to eliminate the existing discretionary power of the Legalized Games of Chance Control Commission. Any expenditure made on a headquarters building would be payable out of raffles' proceeds regardless of purpose. The Attorney General has raised the question whether this measure enlarges upon the constitutional grant of authority and is therefore beyond the competence of the Legislature. That question need not be resolved, however, since I am satisfied that I should withhold my approval of Assembly Bill No. 380 on other grounds.

At present, veterans' groups perform many services for the public at large. They permit their facilities to be used as meeting places for youth and civic organizations. Numerous healthful and character-building sports programs are directly sponsored by them. At every opportunity our veterans are prepared to devote time and money to the teaching of citizenship and love of country. All of these services and many more need be encouraged. If Assembly Bill No. 380 were to become law, however, it could serve as an inducement for those groups to look inward. If raffles' proceeds could be used merely to promote the comfort of the membership, undoubtedly, some of the good works presently done would suffer as considerable revenue would be diverted to building projects.

The revenue that could be diverted from charitable and patriotic purposes now pursued by veterans' groups would represent only a small part of the potential diversion. I have already been contacted by numerous other charitable and civic groups who are prepared to seek the same authority that would be granted to the veterans under the provisions of Assembly Bill No. 380. Thus, Assembly Bill No. 380 would represent merely the first of a series of statutes authorizing moneys raised for charitable, educational and patriotic purposes to be expended on building programs which would be unsupervised by any public agency. Indeed, it is my concern about the potential abuses that could develop in these many other areas that leads me to the determination that it would be unwise, in this first instance, to extend the benefit that has been requested by the veterans' groups in Assembly Bill No. 380. For even if abuses could be minimized with regard to this one particular class, there is no way to insure that such abuses would not occur when the authorization was inevitably expanded to the entire

class of charitable, religious, educational and civic groups which are now operating bingoes and raffle games of chance.

This is the time when greater efforts are required from all sectors of our economy to meet the needs and demands of the people. The efforts made by our numerous civic and religious groups to participate meaningfully in satisfying this need, I am fearful, would be substantially undercut if this blanket diversion of funds were to be established as a general principle in our raffles and bingo laws.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1967.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

ASSEMBLY BILL No. 381

STATEMENT

I am filing Assembly Bill No. 381 (1966) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This measure, which would permit a veterans' organization to use the proceeds from bingo games for the erection, repair and maintenance of a headquarters, is a companion to Assembly Bill No. 380 which would grant the same authority as regards the proceeds from raffles.

I have filed Assembly Bill No. 380 in the State Library for the reasons set forth in the statement accompanying the bill. Those reasons are equally applicable to Assembly Bill No. 381 and dictate my decision to withhold my approval of this measure also.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1967.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 5, 1966.

ASSEMBLY BILL No. 538

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 538, with my objections, for reconsideration.

This bill would amend section 609 of the Cigarette Tax Act to provide that the owner or any person having a security interest in any motor vehicle seized upon probable cause that it was used for the transportation of unstamped cigarettes may secure the release of said vehicle, pending the court action on the matter, by depositing with the clerk of the court a bond with sufficient securities in an amount to be fixed by said court and conditioned upon the return of said vehicle, upon demand, if so ordered by the court.

I recently approved Assembly Bill No. 500 which amended this same section of the law to strengthen the prohibition against the illegal transfer of untaxed cigarettes. Assembly Bill No. 500, now chapter 176 of the Laws of 1966, replaced the civil penalty and made violations a disorderly person offense.

Since the amendatory language of chapter 176 is not incorporated in Assembly Bill No. 538, I am returning it for reconsideration and recommend that it be amended to incorporate the changes made by chapter 176.

On page 2, section 1, lines 45 to 48, delete the sentence in its entirety and insert in lieu thereof, "A transporter who violates the provisions of this act is a disorderly person.".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

1967

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 20, 1967.

SENATE BILL No. 48

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 48, with my objections, for reconsideration.

Senate Bill No. 48 is designed to close a loophole which may exist in section 18:14–3 of the Revised Statutes. That statute and this bill are intended to enable district boards of education to apply minimum age requirements for admission to kindergarten. The existing law has been construed to require that boards accept on transfer pupils from other schools when they reach the age of 5 years, even though such pupils were not old enough at the opening of school to qualify for admission. Thus, it has been possible for some parents to circumvent standards established by boards for admission to school of children who are under 5 years of age on October 1, by placing such a child in a private school and then transferring the child to the public school later in the school year when he reaches his fifth birthday.

Section 18:14–3 of the Revised Statutes, as amended by chapter 233 of the Laws of 1965, provides:

> "Children *who have never attended any public or private school* may be admitted to a public school on or before October 1 following the opening of the school for the fall term, and at no other time except by a majority vote of all the members of the board of education of the school district in which the school is situated." (Emphasis added).

In *Wilcox* v. *Board of Education of Oceanport,* 1953-54 S. L. D. 75, the Commissioner of Education ruled that the underlined wording above makes the section inapplicable to children who have attended any school before seeking admission to the public school. At the time of the *Wilcox* case, the

section contained the wording "during the 10 days immediately following the opening of the school for the fall term." The amendment by chapter 233 of the Laws of 1965 changed this to "on or before *October 1* following the opening of the school for the fall term." The 1965 amendment, however, does not affect the interpretation placed on the section in the *Wilcox* case.

I am in agreement with the purpose of Senate Bill No. 48 in closing this loophole which results in special treatment to those otherwise inadmissible children whose parents can afford to place them temporarily in a private school. It is generally agreed among educators that a child benefits by entering school together with others of his own age group and that educational and emotional harm may result if a child is enrolled when too young or immature. Boards of education should be able to apply a uniform minimum age standard within their districts with such exceptions as they may establish by rules or regulations for children who, though slightly under the minimum age, evidence such emotional maturity and intellectual ability as to justify their enrollment.

I am returning Senate Bill No. 48 only because of the possibility that one word in its language may be misconstrued so as to cause unnecessary confusion. In section 1, line 2, "eligible" might, conceivably, be regarded as broad enough to cover not only age but the domiciliary requirements of section 18:14–1 of the Revised Statutes. The Statement of purpose indicates that the bill is intended to relate only to age requirements. In order that this intent be clearly expressed in the language of the bill, I recommend that the words "by reason of age", be inserted after "eligible". The other modifications I suggest are intended merely to increase slightly the clarity of the bill's language and to adjust its effective date.

Accordingly, I am returning Senate Bill No. 48 for reconsideration, with the recommendation that it be amended as follows:

On page 1, section 1, line 2, after "eligible" insert "by reason of age".

On page 1, section 1, line 2, delete "by" and insert in lieu thereof "on".

On page 1, section 1, line 3, delete "following the opening of school" and insert in lieu thereof "of that school year".

On page 1, section 2, line 1, delete "July 1, 1967" and insert in lieu thereof "immediately".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 20, 1967.

SENATE BILL No. 161

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 161, with my objections, for reconsideration.

This bill would authorize municipalities to regulate by ordinance the entrances to and exits from parking yards and parking places which are open to the public or to which the public is invited.

The Department of Transportation has expressed serious reservations about this bill because of the possibility that municipal regulation of entrances to and exits from parking yards and parking spaces along State highways could interfere with the Department's efforts to apply uniform standards for access to and from the State Highway System. At present, access to and from State highways is strictly regulated and permits from the Department of Transportation are required. The Department is undertaking to tighten these uniform standards in accordance with concepts being developed by the National Highway Safety Bureau.

In order to meet the objection raised by the Department of Transportation, I suggest that entrances to and from State highways be exempted from this bill.

Accordingly, I herewith return Senate Bill No. 161 for reconsideration and recommend that it be amended as follows:

On page 2, section 1, line 28, after "invited" insert ", except that this shall not apply to entrances or exits to and from State highways".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,

Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 20, 1967.

SENATE BILL No. 288

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 288, with my objections, for reconsideration.

This bill would require the inspection of motorcycles by the Division of Motor Vehicles and would mandate the use of certain safety devices in the operation of motorcycles. The provisions of the bill would take effect on January 1, 1968.

The need for such legislation is becoming increasingly apparent. There has been, in the last few years, a rapid growth in the popularity of motorcycles. Between 1965 and 1966 the number of motorcycles registered in this State increased from 28,828 to 40,555 and the indications are that this trend will continue. Unfortunately, however, the number of accidents involving motorcycles has also increased, and at an alarming rate. According to the 1966 statistics there was a 43% increase in the number of accidents involving motorcycles as compared with similar accidents in the previous year, and there was a 104% increase in the number of such accidents resulting in a fatality. Adequate steps, therefore, must be taken to protect motorcycle opera-

tors and their passengers, as well as the public in general. This bill which includes the recommended standards of the Federal Highway Safety Program for motorcycles, along with a companion measure, Senate Bill No. 447, which deals with the licensing of motorcycle operators, will permit only capable and adequately protected persons to operate motorcycles in this State and this, hopefully, will result in a reduction of accidents involving motorcycles.

There has been, however, some question raised regarding the safety value of one of the requirements contained in Senate Bill No. 288, which requirement was not included in the recommended Federal Standards for motorcycles. Pursuant to section 3 of Senate Bill No. 288 all motor operated bicycles, tricycles and scooters included within the legal definition of motorcycle would have to be equipped with a crash bar. At my request the Division of Motor Vehicles reviewed the provisions requiring crash bars and has recommended its deletion. It would appear from the Division's investigation that it is not practical to install crash bars on all vehicles within the motorcycle classification and that the presence of crash bars does not improve the safety of motorcycles and, in certain cases, could prove to be a hazard. Therefore, I recommend that the crash bar requirement be deleted.

For this reason, I, herewith, return Senate Bill No. 288 for reconsideration and recommend that it be amended as follows:

On page 1, section 3, lines 18 and 19, delete the section in its entirety.

On page 1, section 4, line 20, delete "4" and insert in lieu thereof "3".

On page 1, section 5, line 24, delete "5" and insert in lieu thereof "4".

On page 2, section 6, line 9, delete "6" and insert in lieu thereof "5".

On page 2, section 7, line 12, delete "7" and insert in lieu thereof "6".

On page 2, section 8, line 20, delete "8" and insert in lieu thereof "7".

On page 2, section 9, line 26, delete "9" and insert in lieu thereof "8".

On page 2, section 10, line 30, delete "10" and insert in lieu thereof "9".

On page 2, section 11, line 36, delete "11" and insert in lieu thereof "10".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

SENATE BILL No. 105

To the Senate:

Pursuant to the policemen and firemen pension law, a member is entitled to receive a disability pension of two-thirds of his salary if he is permanently disabled while in the line of duty and 40 per cent of his salary for all other types of permanent disabilities. These disability benefits are based on the member's inability to perform the normal duties of a policeman or fireman and are granted without consideration of longevity of service. It is, however, recognized under this law, that even though such a person may be permanently disabled, he may, under certain circumstances be able to obtain employment. Therefore, the present law provides that a retirant, who is employed, can earn a salary up to the amount he would have been making as a full-time policeman or fireman. If he currently earns more than that amount, his pension benefit is reduced by the difference between his present salary and the salary now attributable to persons in his former position. Senate Bill No. 105 would amend this section to permit a policeman or fireman who receive a disability pension, to earn, without limitation, other monies and receive his full pension benefit.

I recognize that this present limitation on the earning capacities of these retirees may in certain cases be an economic burden. Obviously, depending on the nature of the permanent disability and the age of the retirant, his present earning capacities may be in excess of the present salary which would have been paid to him if he was able to remain a policeman or fireman. I would therefore, recommend that the bill be amended to increase by 25 per cent, the amount of earnings that such a person may receive without a reduction of his pension benefits. This modification is reflective of the promotional opportunities and the resulting increase of salaries, which may have been earned by the retirant if he was able to remain in public service. It also retains for the Division of Pensions of the Department of the Treasury, a review of the earning capacities of persons receiving dis-

ability pensions which is a good indication of the continuance of his incapacitations.

For these reasons, I return herewith Senate Bill No. 105 and recommend that it be amended as follows:

On page 2, section 1, line 28, insert the following paragraph:

"(3) If such beneficiary is engaged in an occupation paying more than the difference between (a) his retirement allowance and (b) the salary now attributable to his former position in the police or fire department plus 25 per cent in excess of such salary, the amount of his pension shall be reduced to an amount which, together with his annuity and the amount of his earnings, shall equal the amount of the salary now attributable to his former position in the police and fire department plus 25 per cent in excess of such salary. Should his earnings be later changed, the amount of his pension shall be further modified; provided, that the new position shall not exceed the amount of the pension originally granted."

On page 2, section 1, line 29, delete "(3)" and insert in lieu thereof "(4)".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

SENATE BILL No. 481

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 481, with my objections, for reconsideration.

Senate Bill No. 481 will assure the continued viability of the Unsatisfied Claim and Judgment Fund by amending the act creating that Fund to assure an opportunity to the public to secure insurance protection against damages inflicted by the uninsured motorist. This bill is the fourth in a series of

bills revising provisions of the U.C.J.F. Law and completes the current legislative package to restore that fund and its beneficial effects.

S-481 specifically requires that every automobile liability insurance policy written for delivery within the State provide the insured an opportunity to purchase coverage against damages inflicted by the uninsured motorist. The clear intent of the act is to provide the insured with an option, neither forcing nor preventing the purchase of this added private protection.

By its terms, however, the bill presents no unfettered opportunity for the exercise of a voluntary election. Rather, it provides, in essence, that every insured is presumed to desire this additional protection in the absence of an explicit rejection. In addition, it quite clearly removes from the aegis of the U.C.J.F. not only persons benefiting from private or public uninsured motorist protection but also insured motorists of this State who exercise their option to reject public uninsured motorists protection.

In effect, this latter provision renders nugatory the option afforded persons to reject the coverage in his private policy required by the U.C.J.F. Law. Clearly, such is not the intent of these amendments.

I therefore recommend revision of the mandate to the insurance carriers affected by this act to require only that an effective offer of added coverage be made, rather than that such coverage be necessarily included.

I also recommend the definition of "qualified person" appearing in this act be restored in pertinent part to its former language so that the option provided in section 3 of the act have meaning and be of benefit to the public.

For these reasons I herewith return Senate Bill No. 481 for reconsideration and recommend that it be amended as follows:

On Page 2, Section 2, Line 1, following "liability policy", insert "or renewal of such policy".

On Page 2, Section 2, Line 6, following "coverage is", delete "provided therein or supplemental thereto", and insert in lieu thereof "offered in connection therewith".

On Page 2, Section 2, Line 19, following "Such", delete "provision", and insert in lieu thereof "offer".

On Page 2, Section 3, Line 1, following "insured shall", delete "have the right to reject the coverage", and insert in lieu thereof "elect to accept or reject the offer of coverage".

On Page 2, Section 3, Line 2, following "such", delete "rejection", and insert in lieu thereof "election".

On Page 3, Section 3, Line 4, following "shall", insert "or shall".

On Page 3, Section 3, Line 4, following "the policy", delete in its entirety the clause beginning "nor shall it" and ending "coverage in writing", and insert in lieu thereof "according to said election".

On Page 3, Section 4, Line 18, following "of this State", delete "not", and insert in lieu thereof "or".

On Page 3, Section 4, Line 25, following "where", delete "(1)".

On Page 3, Section 4, Line 32, following "similar thereto", delete in its entirety the clause beginning "or (2) such person" in Line 32 and ending "by statute to be offered" in Line 35.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

SENATE BILL No. 494

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 494, with my objections, for reconsideration.

This bill would amend the "Municipal Planning Act (1953)," P. L. 1953, c. 433, to specify more detailed procedures whereby subdivision developers may obtain release

of the performance guarantees which municipalities may require to assure satisfactory installation of improvements. I recognize the desirability of spelling out such procedures in the statute so as to attempt to reduce the quantity of litigation on this subject.

Ideally, such steps should be considered as part of an over-all, systematic revision of our land use laws. Regardless of whatever action this Legislature takes with respect to this bill, I would hope that it will give further attention to the subject in considering a new Land Use Law during the next session.

In the meantime, however, I am recommending certain amendments to the present bill in order to assure protection of the interests of municipal taxpayers and of prospective residents of subdivisions as well as to prevent undue hardships to the developers.

The 60-day period in which the municipal engineer would be required by this bill to make his inspections of the improvements and to submit his report to the governing body may sometimes prove inadequate to complete the thorough inspection that the public interest may require. Furthermore, the bill in its present form fails to achieve its purpose of assuring the developer that the municipality will act within a reasonable time to release the performance guaranty bond, because no time limit is provided for municipal action after receipt of the engineer's report. Since the developer is concerned only with the total time it takes to obtain release of the bond, I suggest that a single time period of 180 days be established to cover the three steps of (1) the governing body directing the engineer to make the inspection, (2) the engineer completing the inspection and submitting his report, and (3) the governing body acting on the report.

In order to avoid any danger that municipal claims under a performance bond may be forfeited because of a misunderstanding, it appears sensible to require the developer to indicate clearly his intent to take advantage of the bill's time limit, before the provision for automatic approval through municipal inaction can take effect. Otherwise, situations could arise in which the developer concedes that the municipal engineer's inspection has revealed the need for further improvements and while the municipality delays final action to permit completion of such work, the expiration

of the time period causes forfeiture of the municipality's claims regardless of the merits of the case. Notification of the completion of the improvements is normally a routine step; a conflict between the developer and the municipality because of failure of the municipality to grant approval is less routine. The initial routine notice probably should not be allowed to trigger the running of a period which could automatically result in substantial losses to a municipality and its taxpayers. The requirement of a second notice is not too onerous a burden to place upon the developers. Although the maximum period of eight months in which a municipality could stall is longer than normally should be necessary to complete municipal action, it nevertheless would be a vast improvement over the far longer delays that now sometimes occur. I invite further review of this procedure during consideration of the forthcoming Land Use Law.

Although the bill exempts maintenance bonds from the effects of its provisions, it appears desirable to accompany the drastic restrictions here placed on the utilization of performance bonds with explicit provisions for, and restrictions on, maintenance bonds. Otherwise, the litigation now surrounding performance bonds is likely merely to be transferred to the subject of maintenance bonds. I am, therefore, proposing that this bill incorporate a provision on this subject which had been prepared as a recommendation for inclusion in the proposed Land Use Law.

Maintenance bonds enable the municipality to retain some protection against latent defects in the improvements which may not be readily apparent. The passage of time is needed to allow for soil settling and to reveal whether the improvements will withstand freezing weather and the effects of other seasonal changes, before a municipality can confidently release all security on subdivision improvements.

Other amendments recommended here are in the nature of clarifying language. A slight delay in the effective date appears desirable to permit adjustment to the new procedures required under the bill.

Accordingly, I herewith return Senate Bill No. 494 for reconsideration and recommend that it be amended in the following manner:

On page 1, lines 21 and 22, after "shall" delete ", within 45 days after receipt of such notice,".

On page 1, line 25, delete "made within".

On page 2, lines 26 and 27, delete "60 days after receipt by him of the aforesaid authorization from the governing body; said report shall be".

On page 2, lines 28 and 29, delete "approval or rejection of said improvements, either in whole or in part, and if" and insert in lieu thereof "either approval, partial approval, or rejection. If".

On page 2, line 32, insert the following additional sentence: "Where said report indicates partial approval of said improvements, it shall indicate the cost of the improvements for which approval is rejected or withheld."

On page 2, line 33, after "shall" insert "accept or reject the improvements, grant partial approval, or withhold approval, on the basis of such report and shall".

On page 2, line 35, delete "." and insert thereafter "not later than 180 days after receipt of the notice from the obligor of the completion of the improvements. Where partial approval is granted, the obligor shall be released from all liability pursuant to its performance guaranty bond, except for that portion adequately sufficient to secure the improvements not yet approved."

On page 2, lines 36 through 40, delete this paragraph in its entirety and insert in lieu thereof the following:

"If the municipal governing body fails to send such notification to the obligor within 180 days, the obligor may notify the governing body, in writing, by certified or registered mail, with a copy thereof sent to the municipal engineer, that failure of the governing body to provide the obligor with such notification within 60 days shall constitute approval of the improvements. Within 60 days after receipt of this warning notice, the governing body shall send such notification of the contents of the report and its action with relation thereto to the obligor by certified or registered mail. Failure of the governing body to send or provide such notification to the obligor within 60 days shall be deemed to constitute approval of the improvements and the obligor and surety, if any, shall be released from all liability, pursuant to its performance guaranty bond."

On page 2, after line 55, insert the following:

"2. Section 21 of the act of which this act is amendatory is amended to read as follows:

"Before final approval of plats the governing body may require, in accordance with the standards adopted by ordinance, the installation, or the furnishing of a performance guarantee in lieu thereof, of any or all of the following improvements it may deem to be necessary or appropriate: street grading, pavement, gutters, curbs, sidewalks, street lighting, shade trees, surveyor's monuments, water mains, culverts, storm sewers, sanitary sewers or other means of sewage disposal, drainage structures, and such other subdivision improvements as the municipal governing body may find necessary in the public interest.

"*The municipality may also require a maintenance guarantee for a period not to exceed 2 years after final acceptance of the improvement, in an amount not to exceed 15 per cent of the cost of the improvement or of the original installation.*"

On page 2, section 2, line 1, delete the figure "2" and insert in lieu thereof the figure "3".

On page 2, section 2, line 1, delete "immediately" and insert in lieu thereof "90 days after approval".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

SENATE BILL No. 498

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 498, with my objections, for reconsideration.

This bill would amend and supplement Section 33:1–12 of the Alcoholic Beverage Law (as supplemented by Chapter 94 of the Laws of 1947) to: (1) permit municipalities to grant retail liquor licenses to *motels*, as distinct from *hotels*; and (2) increase the minimum number of sleeping rooms required as a precondition to licensure pursuant to this section from 50 to 100 rooms. If approved by me the bill would take effect January 1, 1969.

It should be noted at the outset that just four years ago the Legislature passed Senate Bill No. 247 of 1964, which would have increased the minimum number of rooms required for licensure under N. J. S. A. 33:1–12.20 from 50 rooms to 100 rooms. I was reliably assured then, as indeed I have been recently, that the economics of hotel-motel industry were such that establishments of 50 rooms or less — each with an initial construction cost of $8,000.-$13,000. — were the predominant mode of construction. Four years ago, and all the more so today, complete meal and beverage service is a *sine qua non* of a financially successful hotel or motel. In the absence of any credible showing of destructive competitive practices, my approval of Senate Bill No. 247 (1964) would have required an initial investment from prospective hotel-motel operators twice that proven most financially sound. Such a result would have served merely to depress, rather than sustain or stimulate, the hotel-motel industry so essential to the continued vitality of New Jersey's resort economy. Accordingly, my assessment of the patent anti-competitive tendencies of Senate Bill No. 247 (1964) — absent assurances of other protections for the public interest — prompted me to file Senate Bill No. 247 (1964) in the State Library without my approval on March 8, 1965.

The passage of time has amply borne out the conclusions I drew four years ago with respect to Senate Bill No. 247 (1964). Moreover, I have not been presented any evidence whatsoever which demonstrates that those conclusions do not also hold true today. Accordingly I still conclude that an increase in the minimum number of rooms required for licensure under Section 33:1–12.20 of the Alcoholic Beverage Law from 50 to 100 rooms is not warranted. To the extent, then, that Senate Bill No. 498 (1968) provides for such an increase, I must withhold my approval of Senate Bill No. 498 (1968) in its present form.

To the extent, however, that Senate Bill No. 498 (1968) clarifies the eligibility of *motels* — as distinct from *hotels* —

for licensure under Section 33:1–12.20 of the Alcoholic Beverage Law, I heartily endorse the bill. The enactment of such provisions is wholly consistent with other recent legislative enactments — such as P. L. 1967, c. 76 and P. L. 1968, c. 296 — which recognize that hotels and motels are different juridical entities. In addition, these provisions of Senate Bill No. 498 (1968) will also provide legislative sanction for the long-standing and sound, common-sense construction by the Division of Alcoholic Beverage Control of the Department of Law and Public Safety of the term "hotel" as it appears in Section 33:1–12.20 of the Alcoholic Beverage Law. My approval of these provisions of Senate Bill No. 498 (1968) will moot a legal question that obviously could not have been foreseen by the original draftsmen of the Alcoholic Beverage Law.

For these reasons, I return herewith Senate Bill No. 498 and recommend that it be amended as follows:

On page 1, section 1, line 5, delete "100" and insert in lieu thereof "50".

On page 1, section 1, line 6, delete "100" and insert in lieu thereof "50".

Delete section 2 in its entirety.

On page 1, section 3, line 1, delete "3." and insert "2.".

Respectfully,

RICHARD J. HUGHES,
Governor.

[SEAL]
Attest:
ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

SENATE BILL No. 524

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution I herewith return Senate Bill No. 524, with my objections, for reconsideration.

This bill would validate and confirm conveyances of land made in the name of any corporation which had expired by its own limitation or had been annulled by the Legislature, or otherwise dissolved.

Under the provisions of this act, a conveyance of land made by a corporation which had lost its franchise because of non-payment of corporation taxes, would be validated. It has been the policy of this State to require defunct corporations to pay a corporation reinstatement fee, which includes the payment of outstanding corporation taxes, before they may perform any further corporate activities. Senate Bill No. 524 could validate corporation conveyances, notwithstanding the fact that said corporation had not paid their outstanding corporation taxes.

It is my understanding that the sponsors of this measure did not intend such a result and therefore, I would recommend that the bill be amended to permit such a validation of such corporate action only if the corporation has since been reinstated. Additionally, it has been brought to my attention that, as presently written, this bill does not cover the situation where an instrument executed before the corporation lost its charter, or filed while the corporation was dissolved, would not be validated. I would further recommend that the bill be amended to cover this situation as well.

I am herewith returning the bill with my recommendation that it be amended as follows:

On page 1, section 1, line 2, after the word "name" insert "or recorded".

On page 1, section 1, line 10, after the word "delivered" insert "or recorded".

On page 1, section 1, line 11, after the word "dissolution" insert ", provided, however that the charter of said corporation has been reinstated".

Respectfully,

RICHARD J. HUGHES,
Governor.

[SEAL]
Attest:
ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

SENATE BILL No. 690

To the Senate:

Pursuant to Article V, Section I paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 690, with my objections, for reconsideration.

Senate Bill No. 690 would empower the Board of Public Utility Commissioners to license and regulate the Public Movers of this State. This licensing and regulation would encompass all movers of household goods and of special commodities incidental to the movement of household goods. Its clear purpose is the protection of the consumer of this necessary service from unfair dealing, the promotion of safety, and the protection and coordination of services within this industry.

In all respects, save one, this measure is worthy of ethusiastic approval. By its terms, however, the bill requires implementation of its provisions on January 1, 1969, subject to administrative postponement by the Board of Public Utility Commissioners not beyond April 1, 1969. As this measure requires the Board to enter upon a new field of regulation and to establish an administrative structure competent in all respects to serve both this industry and the public at large, a period of time greater than two months is necessary for preparation by the Board.

I therefore urge the effective date of this legislation be extended to July 1, 1969, by which time adequate preparation should be completed.

For this reason I herewith return Senate Bill No. 690 for reconsideration and recommend that it be amended as follows:

On page 15, Section 22, line 2, following "on and after", delete "January 1", and insert in lieu thereof "July 1".

On page 15, Section 22, line 3, following "1969", delete in its entirety the clause beginning "provided,

however," in line 3 and ending "April 1, 1969" in line 7 and insert in lieu thereof "provided, however, that the commission may in its discretion do immediately all things necessary and appropriate to prepare for the implementation of the provisions of this act".

Respectfully,

[SEAL] RICHARD J. HUGHES,
Attest: *Governor.*
ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 25, 1968.

SENATE BILL NO. 477

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 477, with my objections, for reconsideration.

This act would create a Hackensack Meadowlands Development Commission and a Hackensack Meadowlands Municipal Committee with the purported mission and capability to reclaim, plan, develop, and redevelop the Hackensack Meadowlands.

The reclamation and development of the Hackensack Meadowlands has been a New Jersey problem for centuries. Far-sighted and dedicated men have labored for many years for a solution to this problem. As the principal sponsor of Senate Bill No. 477, Senator Dickinson, has observed, my predecessor, Governor Marcus L. Ward, called for Meadowlands reclamation and improvement in his legislative message one hundred years ago.

Thus the perspective of New Jersey history, as well as the urgency of our modern interests, led this Administration to set as one of its major objectives the realization of this great dream. For years we have worked with the Legislature, with local officials, with private groups, with distinguished commissions and agencies, and with the federal government to develop legislation that would fairly and

effectively bring about the reclamation and proper development of this immensely important land.

Senate Bill No. 477, as originally passed in the Senate without opposition, provided an honest and workable vehicle to achieve these goals. As you know, this original bill, *before* Senate passage, contained carefully conceived amendments that were responsive to legitimate local concerns, and in these amendments the legislative sponsors and I jointly concurred, for they did not weaken, much less destroy the bill. Thus on leaving the Senate, this bill, on which many men of good will had expended enormous effort, was clearly the product of compromise in the best sense of the word.

In the Assembly as well, some further amendments, respectful of local interests yet not destructive of the substance of the bill itself, were agreed on, and I have no objection to them.

Thus on November 18, during the month in which we are celebrating the 300th anniversary of the meeting of the first New Jersey Legislature at Elizabethtown in 1668, the New Jersey Assembly had within its grasp the opportunity to solve a problem almost as old as the Legislature itself. The Assembly had before it a bill assuring comprehensive reclamation and development of the Meadowlands — development to be made possible by federal flood control and reclamation aid in the amount of $300,000,000, and by the independent revenue-raising capacity of a Meadowlands Commission.

Any doubt as to the prospect of such federal support of the Meadowlands program — before the imposition of destructive amendments — was resolved in a letter to me of November 19, 1968 from the United States Army Corps of Engineers which advises:

> "1. The master plan of the area embodied in the Senate Bill 477 prior to Assembly amendments *did* provide sufficient basis to proceed with the economic evaluation portion of the study that would lead to recommendations for transmission to the Congress. We have been proceeding on this basis, and we anticipated meeting the scheduled completion date of 30 June 1969, for the draft study including recommendations. Moreover, as we indicated in our letter, dated 21 March 1968, to

Senator Fairleigh S. Dickinson, Jr., Chairman, Senate Standing Committee on Agriculture, Conservation and Natural Resources, the Senate Bill 477 then provided:

> '. . . an appropriate and responsible agency, at the desired State level, that would have the authority to control the appropriate development of the Hackensack Meadows so as to meet the Federal requirements as well as to protect the interests of communities involved. The Corps of Engineers could operate and coordinate its efforts through such an agency in a timely and effective manner to obtain the implementation of the required local cooperation essential to the development of any project for the Hackensack Meadows.' ''

Here, then, was the key to the solution of a centuries-old problem — a solution essential not only to the Meadowlands communities but also to all of New Jersey in view of the vast economic impact of a reclaimed and developed Meadowlands. Of equal importance to every community in this State are the interests of the constitutionally dedicated School Fund, which run to hundreds of millions of dollars in the enhanced value of riparian lands involved in Meadowlands development.

Thus every citizen of the State, and every child who will ever go to school in this State, have a direct interest in what happened to this bill on that fateful November 18, 1968.

And yet, on the very threshold of success, all hope for a workable Meadowlands project disappeared when last-minute amendments to the bill were insisted upon before the bill would be released by the majority party conference for a vote on the floor of the Assembly. This action was unfortunate because it is certain that many minority party votes would have been available to supplement majority party votes in support of the original bill — if that bill had been permitted to come to a public vote.

The critically damaging amendment was the carving out from the Commission's area of jurisdiction of some 5,300 acres, almost one-third of the entire acreage of the project. This excision, which was responsive to a few local and special interests, so vitiated the bill as to destroy all prospects of developing the Meadowlands.

As amended, the bill: (1) throws away the opportunity to obtain $300 million in federal flood control and reclama-

tion aid; (2) eliminates the revenue-raising capacity of the Commission itself; (3) thereby creates an ineffective and financially unworkable Commission; (4) raises grave constitutional questions which will lead to endless years of litigation; and (5) grants indefensible windfall benefits to a few special interests at the expense of the municipalities included in the Meadowlands area and of the School Fund, which is dedicated to the service of every community in this State.

Let me be perfectly clear. It may be convenient, but it is certainly self-deluding and false, to say "This is a first step," or "We have made a start," or "At least we have a Meadowlands Commission," or "We can repair the damage, adjust the boundaries, and straighten things out a little." The fact is that the amended bill, which is without any financial foundation, is fatally defective. Because of its grave flaws, the bill is worse than useless, and neither in conscience nor in intelligence can I sign it. I will not, by my approval, foist upon the people of this State a Meadowlands Commission which, without capacity to act, would be nothing more than a slogan, or rather another study committee. I refuse to be a party to playing a trick upon the people of this State by raising their hopes with a make-believe Meadowlands solution that all of us know in honesty can accomplish nothing whatever, and which, on the contrary, would abort Meadowlands development for years and years to come.

Let me make the facts perfectly clear. In the first place, federal planning of the reclamation project, which is today on the verge of favorable completion, as indicated (supra) to Senator Dickinson, would now—should I sign Senate Bill No. 477 as amended—come to a dead stop. As the United States Army Corps of Engineers advised me on November 19, 1968:

> "However, the revised area which is involved in the bill, as amended by the Assembly, would make previous master planning information inapplicable. Therefore, it would be necessary that our current congressionally authorized study be held in abeyance."

Thus, if I were to sign Senate Bill No. 477 in its present form, we would be required to start all over. We would have to attempt to achieve the same regional action that was provided for originally in Senate Bill No. 477 by seek-

ing from individual municipalities that have areas excluded from the legislation by the amendments the very kind of cooperation that has always eluded us, and that eludes us even now. The search for such consent would be an idle fantasy. We must face the hard fact that a Meadowlands solution has eluded us for these many years precisely because of the tragically mistaken belief that the necessary local cooperation was "just around the corner." Next year, and the year after, and the year after that—if Senate Bill No. 477 were enacted in its present form—we would find once again that no one was really refusing to cooperate, that meetings upon meetings were in process, that the "final solution" was, as always, "just around the corner."

And if such local cooperation in these terms could be achieved at all, it would take many years, probably beyond the lifetime of most of us.

The Corps of Engineers assesses these prospects with stark realism in its letter to me of November 19:

> "Based on our past experience such coordination would be extremely complex and protracted with no assurance that a mutually acceptable master plan for development of the areas and method of implementation of local cooperation would eventually result. Such inability to meet the conditions of local cooperation, which would have been effected under the Senate Bill 477, prior to Assembly amendments, would then of necessity result in a completion of the study with a negative recommendation for Federal participation in any possible improvement to the Meadowlands."

One need not look very far to find other projects in northern New Jersey where the failure to obtain the necessary "local cooperation" has blocked important flood control programs. Within the last year alone, we remember flooding of the Passaic River that caused millions of dollars of damage and untold hardship which *could* have been prevented if the affected municipalities—at any time in the last *three decades*— had agreed to any one of almost a dozen plans developed and presented by the Corps of Engineers. Now, more than thirty years and many tragedies later, we are still seeking the necessary "local cooperation" to bring about this essential flood control program.

Our experience with "local cooperation" in respect of water supply is also noteworthy. For many years, some

of them desperately drought-ridden, this State has been seeking "local cooperation" to furnish the financial base for pipeline construction from the Spruce Run and Round Valley reservoirs. The "solution" has eluded us and even today we are still tied up in the courts. Yet, if the State had acted firmly in 1958, the pipeline would long since have been constructed.

These experiences clearly demonstrate how foolish it would be to gamble Meadowlands development on the notion that the history of 300 years will suddenly be reversed and the necessary "local cooperation" will somehow miraculously materialize.

Thus, if we really want a solution, we must reject the empty shell of illusion which will cause the continued waste and deterioration of the potentially great Hackensack Meadows.

As indicated, Senate Bill No. 477, before the Assembly amendments reducing the acreage subject to the Commission's jurisdiction, would have provided the Commission with sufficient financial capacity to conduct by itself that portion of the reclamation and development that would not be covered by federal funds. The Commission would be able to operate a self-sustaining project at no cost to the taxpayers of New Jersey. The excision of 5,300 acres, however, strips the Commission of the financial strength needed to sustain its operations and leaves it without the tools even to make a start on Meadowlands development.

But the amended bill does not merely undermine the economic feasibility of Meadowlands development and the financial viability of the Commission. It also clearly invites protracted litigation as to the very constitutionality of the legislation. For under the amended bill, if the excluded municipalities do not consent or are unable to raise their share of reclamation and development costs, these costs would fall on the area under Commission jurisdiction and thereby—in probable conflict with the equal protection clause of the 14th Amendment to the United States Constitution—provide windfall benefits to the areas excluded by the amendments. The clear threat of litigation under these conditions would obviously make it impossible for the Commission to sell its revenue bonds in the financial markets.

The amended bill appears to violate the Constitution in still another way. The sponsors of the amendments sought to undo damage they had done by improperly delegating legislative authority to an administrative agency. Apparently realizing that the exclusions would cripple the plan, the authors of the amendments gave the Commission the authority to restore certain lands in the Hackensack Meadowlands, but they failed to lay down any standard for the exercise of this authority.

For example, the amended bill would enable the Commission to include within its jurisdiction riparian lands along the Hackensack in northern Bergen County municipalities which were not even discussed in connection with the original legislation. Such an open-ended delegation of authority is clearly vulnerable to constitutional attack.

Let there be no misunderstanding on this point. The flaws in Senate Bill No. 477, as amended, are so damaging that they would lead inevitably to lengthy, and indeed virtually endless litigation. In other words, Senate Bill No. 477, as amended, is not merely a useless bill; it is worse than useless because it would completely abort Meadowlands development by tying it up in the courts for many years to come.

Let us be perfectly honest on this point as well. The effect of the exclusions is to grant windfall benefits to certain municipalities, and to certain private interests within those municipalities, at the expense of their neighbors and of citizens throughout New Jersey, for this is not merely a local or even a regional matter. The Fund for the Support of Free Education, which benefits every school system in this State, has a financial interest running into the hundreds of millions of dollars in high-quality development of the Hackensack Meadowlands. You and I have an overriding responsibility to the school children of New Jersey to protect the interests of this Fund.

I am respectfully sympathetic to the fact that pressures have been exerted upon some legislators by local and special interests. But pressures are not unusual, and withstanding them is a part of the job and responsibility which all of us assume in accepting public office.

Nor do I believe that the constituency of an individual legislator in a case such as Meadowlands legislation is

smaller than that of a Governor, nor, for that matter, than that of the 39 Senators who supported the original Senate Bill No. 477. Intervening with regard to a highway alignment, or insisting on a stoplight or some like matter of local constituent concern, not affecting the whole State, is one thing. But dooming Meadowlands development, halting economic progress which would mean tens of thousands of jobs, and depriving the School Fund of hundreds of millions of dollars seem to me to be far different matters, invoking a higher sense of responsibility.

And so, with utmost respect, I resubmit this problem to the Legislature for reconsideration. I ask you to remember that together we represent a great State and that history will write the record of your statesmanship, or lack thereof, in reconsidering and reversing your decision for the sake of your fellow citizens, or in persisting in the decision already mistakenly made.

That history will be attentive is certain, for a bill of this importance, with its grave meaning to the people of this State, occurs perhaps only once in a hundred years.

It is as though New Jersey, a giant in its potential, is being tied down, like Gulliver, by the bonds of local and special interests from which only you can free it. The burden of decision resting upon you, then, is quite clear. After all the words are spoken and arguments made, these stark and naked facts remain:

1. Meadowlands development without federal financial support is doomed.
2. Under Senate Bill No. 477 in its present form, that financial support does not and cannot exist.
3. If my recommendations are accepted by you, Meadowlands development is assured.

It is that simple. Your choice is that clear. You now have the sole power of decision, and it is important that all of the people of New Jersey realize now precisely what the issue is.

For it is our seven million fellow citizens—the businessmen, the workers and the school children whose well-being depends upon your decision—they are the ones who really matter and who must be placed above a few local and special interests.

For these reasons I herewith return Senate Bill No. 477 for reconsideration and recommend that it be amended as follows:

On page 3, section 3, line 35, insert "and Teterboro".

On page 8, section 4, line 66, insert "junction with Orient way in Lyndhurst", delete "eastern intersection with the Boonton branch of the Erie-Lackawanna Railroad".

On page 8, section 4, lines 67 to 104, insert:

"Thence northerly along Orient Way to its junction with Valley Brook Avenue-Smith Street;

Thence easterly along Smith Street to its junction with Madison Street;

Thence northerly along Madison Street to its junction with Evergreen Place;

Thence westerly along Evergreen Place to its junction with Meadow Road;

Thence northerly along Meadow Road to its junction with Rutherford Avenue;

Thence northerly along a straight line drawn between the intersection of Rutherford Avenue and Meadow Road and the junction of Union Avenue and Erie-Lackawanna-New Jersey and New York Railroad;

Thence northerly along the tracks of the Erie-Lackawanna-New Jersey and New York Railroad to its intersection with the Wood-Ridge-Carlstadt municipal boundary;

Thence easterly along the Wood-Ridge-Carlstadt municipal boundary to its intersection with Moonachie-Wood-Ridge municipal boundary;

Thence northerly and westerly along the Moonachie-Wood-Ridge municipal boundary to its intersection with the Hasbrouck Heights-Moonachie municipal boundary;

Thence easterly and northerly along Hasbrouck Heights-Moonachie municipal boundary to its intersection with the Moonachie-Teterboro municipal boundary;

Thence westerly and northerly along the Hasbrouck Heights-Teterboro municipal boundary to its intersection with U. S. Route 46;

Thence easterly along U. S. Route 46 to its intersection with the Teterboro-Little Ferry municipal boundary;

Thence southerly along the Teterboro-Little Ferry municipal boundary to its intersection with the Moonachie-Little Ferry boundary;

Thence southerly along the Moonachie-Little Ferry Municipal boundary to its intersection with Red Neck Road;

Thence southerly along Red Neck Road to its junction with Moonachie Avenue in Moonachie;''

On page 9, section 4, lines 105 and 106, delete:

''Thence northerly to the nearest point of intersection with Berry's Creek;

Thence northerly following mid-stream of Berry's Creek to the point where Berry's Creek intersects Woodbridge-Carlstadt boundary line;

Thence easterly along the Woodbridge-Carlstadt boundary to its intersection with Washington Avenue and Moonachie Road;''

and insert:

''Thence easterly along Moonachie Avenue to its junction with Moonachie Road;''

On page 11, section 4, line 196, after ''beginning.'' delete:

''(d) Exception: In the municipality of Secaucus the district shall be limited to lands which, by and large, are less than 4 feet above mean sea level in elevation.

(e) The Hackensack Meadowlands Development Commission hereinafter established shall, within 120 days of the effective date of this act, cause to be made, completed, and filed as hereinafter provided a metes and bounds description of the above described area which it shall designate as the district for the purposes of this act.

"The commission shall publish a map portraying its description which shall clearly indicate those lands designated by the commission as within the district. Copies of such map and description shall be filed with the Secretary of State and sent to the clerk of each county and to the governing body of each municipality whose political boundaries include lands shown on the map. Such maps and descriptions shall be available for public inspection.

(f) If, in order to insure the approval and funding, in whole or in part, of the Federal government, or any agency or instrumentality thereof, of any reclamation project in the Hackensack Meadowlands, it is necessary to include in any such reclamation project riparian land which is not within the district designated herein, the commission, upon certifying to the Governor and the Legislature the existence of the aforesaid necessity in order to insure Federal government approval and funding, shall be authorized to include in the district, for the purpose of such reclamation project, any riparian land in the Hackensack Meadowlands."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 15, 1968.

ASSEMBLY BILL No. 867

To the General Assembly:

Pursuant to Article V, Section 1, paragarph 14(b) of the Constitution, I herewith return Assembly Bill No. 867, with my objections, for reconsideration.

Assembly Bill No. 867, the "New Jersey Agricultural Liming Materials Act", would modernize for the benefit of consumers the regulation of the sale and labeling of lime products.

It is my understanding that the principal sponsor of this bill, officials of the New Jersey Department of Agriculture, and representatives of the affected industries have agreed upon certain revisions of this bill which are designed to facilitate its effective administration.

To accomplish these revisions, I herewith return Assembly Bill No. 867 for reconsideration and recommend that it be amended as follows:

On page 1, section 2, lines 4 and 5, delete "Gypsum is also subject to this act when used for agricultural purposes."

On page 1, section 2, line 8, after "30%", delete "." and insert ", and shall be classified according to its calcium oxide (CaO) or its magnesium oxide (MgO) content.".

On page 1, section 2, lines 9, 10, 11 and 12, delete paragraphs (1) and (2) in their entirety and insert in lieu thereof the following:

"(1) The term "Calcite" or "Calcitic" may only be used to describe limestone containing less than 6% magnesium oxide (MgO), to describe burnt lime containing less than 11% magnesium oxide or to describe hydrated lime containing less than 8% magnesium oxide.

"(2) The term "Magnesian", "Magnesium" or "Dolomitic Type" may only be used to describe limestone containing at least 6% but less than 15% magnesium oxide (MgO), to describe burnt lime containing at least 11% but less than 27% magnesium oxide or to describe hydrated lime containing at least 8% but less than 20% magnesium oxide.

"(3) The term "Dolomite" or "Dolomitic" may only be used to describe limestone containing 15% or more magnesium oxide (MgO), to describe burnt lime containing 27% or more magnesium oxide or to describe hydrated lime containing 20% or more magesium oxide."

On page 1, section 2, line 13, after "made from", delete "lime" and insert in lieu thereof "limestone".

On page 2, section 2, lines 20 and 21, delete subsection (e) in its entirety.

On page 2, section 2, redesignate subsections (f) through (m) as (e) through (l).

On page 2, section 2, after line 40, insert the following:

"(m) "State Board" means the State Board of Agriculture of New Jersey.

"(n) "Secretary" means the Secretary of Agriculture of New Jersey."

On page 3, section 3, lines 23 through 25, delete paragraph (8) in its entirety.

On page 4, section 5, lines 13 and 14, delete subsection (d) in its entirety.

On page 4, section 5, lines 15 through 18, redesignate subsections (e) and (f) as (d) and (e).

On page 4, section 7, line 4, delete "July" and insert in lieu thereof "December". On lines 4 and 5, delete "next following that".

On page 5, section 10, line 5, after "(N.J.S. 2A:58–1 et seq.)." insert the following:

"Upon receiving any information of a violation of any part of this act other than a violation involving a weighed or measured deficiency or the rules and regulations issued thereunder, the Secretary, or any assistant designated by him for such purpose, is empowered to hold hearings, formal or informal, upon said violation and upon finding the violation to have been committed, to assess a penalty against the person alleged to have committed such violation, in an amount not to exceed the maximum limit set forth in this section as the Secretary deems proper under the circumstances. In the event the violator makes satisfactory settlement, no further prosecution shall be had upon that violation. Payment of a penalty, in the form of a settlement, shall be deemed equivalent to a conviction for a violation of this act. Violations not settled in this manner, may be referred to the court of competent jurisdiction."

On page 5, section 13, line 1, delete "July 1, 1968" and insert in lieu thereof "January 1, 1969".

Respectfully,

[SEAL] RICHARD J. HUGHES,
Governor.

Attest:
ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 27, 1968.

SENATE BILL No. 667 ('68)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 667, with my objections, for reconsideration.

S-667, known as the Administrative Procedure Act, will establish standards for the promulgation of rules and the disposition of contested matters throughout the State Government. Its primary thrust is to permit greater public participation in and familiarity with administrative processes, by requiring advance notice of the intention to promulgate rules and by requiring notice of hearings containing information of assistance to participants in such hearings. Such a measure can be of inestimable value in promoting public understanding of and cooperation with the State Government.

Many states of the Union have, since 1936, adopted administrative procedure acts to accomplish the goals sought to be achieved by S-667. The most cursory examination of these statutes reveals strikingly the necessity for variations among them and for careful response to local traditions, practices and methods. Noticeable in connection with the efforts of our sister states is the availability to those who would draft an administrative procedure act of extensive and comprehensive studies of local conditions and the effect upon them of uniform standards. New Jersey lacks such comprehensive studies; there is no one who can speak authoritatively of the probable effect of S-667 upon the relationship between the citizen and his government.

In the brief time since the Legislature acted upon this measure, I have struggled to assure that its provisions reflect both the needs and the nature of New Jersey's government and its people. These efforts have resulted, I believe, in revisions of S-667 which will ease administrative difficulties, and yet, most assuredly, will preserve the protections and benefits to both the people and the government so clearly intended by the Legislature. These revisions in language are more than 30 in number and touch

upon all aspects of S-667. While many are technical in nature and self-explanatory, some are broad and reflect a philosophy which must be expressed.

In structure, S-667 requires of each State agency the adoption, as a formal rule, of a description of its organization and of its methods, operations and objectives, thereby enabling the public to assign responsibility for the administration of any law and to secure the assistance for which the administration was created. In addition, each agency is required to formulate as a rule, the procedures, both formal and informal, employed by the agency in the execution, review and enforcement of the law. The bill further requires that no new rule is to be effective unless its adoption is preceded by public notice sufficient to enable those affected to address themselves to the merits of the proposed rule. All rules, both substantive and procedural, are to be published in a form promoting ready access and currency.

Furthermore, hearings conducted by State agencies for the purpose of resolving disputes of fact or of application of law or rule are to be conducted in an open manner. A party to such a hearing is assured of the right to assert his interest freely and aggressively.

As mentioned, this law is made applicable to all State agencies of whatever composition or function. Exempted from its requirements are two agencies, the procedures of which are already detailed and controlled by positive law. My studies have indicated two additional exemptions are vital. I would first exempt the Office of the Governor, the administrative responsibilities of which are dictated directly by the Constitution.

Second, Senate Bill No. 667 as originally passed, appears to cover the internal operations of educational and medical institutions. The fact that the original bill exempted from its provisions the internal operation of correctional institutions indicates the Legislature's awareness that requirements for the publication of rules and provision for notice and hearing, while clearly appropriate in regard to matters affecting the general public, are neither necessary or proper to the internal operation of an institution. I am therefore recommending that the Legislature enlarge its exemption to cover educational and medical institutions as well as correctional institutions. Of course, the rule-making, adjudicatory, filing and publication requirements of this act will be

applicable to the State agencies to which these institutions are ultimately responsible.

I would assure the status of rules adopted pursuant to the act and their utility as instruments of law by investing them with presumptions of regularity and accuracy, and thus ready admissability as evidence before the courts of this State.

I would substitute for the rule of evidence in S-667, one more consistent with current judicial rules.

I would create, in the Department of State, an agency capable of overseeing the implementation of this law, and of maintaining constant review of administrative rules and procedures.

I would authorize this agency to issue and enforce inter-agency rules binding throughout our government.

And finally, I would provide a grace period of nine months within which State agencies will be permitted to review current practices and rules and to prepare for the enforcement of uniform standards.

It is noted S-667 makes no appropriation. Let it be clearly understood that without the necessary funds it will be impossible to comply with the manifold provisions of the act. I therefore recommend the appropriation of $300,000 to begin the implementation of this important program. It should be realized, however, that full implementation could possibly entail substantially greater appropriations in which case the Legislature will be so advised in the normal budget process.

For these reasons, while urgently supporting the principles inherent in this bill, I herewith return Senate Bill No. 667 for reconsideration and recommend that it be amended as follows:

On Page 1, Section 2, Line 7, following "except", insert "the Office of the Governor".

On Page 1, Section 2, Line 8, following "and Industry," delete "and".

On page 1, Section 2, Line 10, following "and all", delete "boards or".

On Page 1, Section 2, Line 11, following "agencies", delete the clause beginning "concerned with (to" in

Line 11 and ending "or correctional institution." in Line 13, and insert in lieu thereof "the primary responsibility of which is the management or operation of a State educational, medical, mental, rehabilitative, custorial, penal or correctional institution or program, insofar as the acts of such agency relate to the internal affairs of such institution or program."

On Page 1, Section 2, Line 22, following "and every", insert "final".

On Page 2, Section 2, Line 28, delete in its entirety subsection (e), and insert in lieu thereof the following subsection:

"(e) "Administrative rule" or "rule", when not otherwise modified, means each agency statement of general applicability and continuing effect that implements or interprets law or policy, or describes the organization, procedure or practice requirements of any agency. The term includes the amendment or repeal of any rule, but does not include: (1) statements concerning the internal management or discipline of any agency; (2) intra-agency and inter-agency statements; and (3) agency decisions and findings in contested cases."

On Page 2, Section 2, following Line 32, insert the following subsections:

"(g) "Secretary" means the Secretary of State.

"(h) "Director" shall mean the Director of the Division of Administrative Procedure, unless otherwise indicated by context."

On Page 2, Section 3, Line 1, following "3." delete "(a)".

On Page 2, Section 3, Line 3, following "(1)", delete "Adopt", and insert in lieu thereof "adopt".

On Page 2, Section 3, Line 7, following "(2)", delete "Adopt", and insert in lieu thereof "adopt".

On page 2, Section 3, Line 11, delete in its entirety sub-section (3).

On Page 2, Section 3, Line 15, preceding "available for", delete "(4) Make" and insert in lieu thereof "(3) make".

On Page 2, Section 3, Line 16, following "and opinions", insert ", in accordance with the provisions of chapter 73 of the Laws of 1963 as amended and supplemented (c. 47:1A–1 et seq.)."

On Page 2, Section 3, Lines 17 through 21, delete in its entirety the subsection beginning "(b) No agency" and ending "actual knowledge thereof."

On Page 2, Section 4, Line 1, following "any rule," insert "except as may be otherwise provided".

On Page 2, Section 4, Line 13, following "in writing." delete in its entirety the sentence beginning "In case", in Line 13 and ending "25 members." in Line 17.

On Page 3, Section 4, Line 19, following "rule.", delete in its entirety the sentence beginning "Upon adoption" in Line 19 and ending "its adoption." in Line 24.

On Page 3, Section 4, following Line 24, insert the following subsection:

"(b) A rule prescribing the organization or procedure of an agency may be adopted at any time without prior notice or hearing. Such rule shall be effective upon filing in accordance with Section 5 of this act or upon any later date specified by the agency."

On Page 3, Section 4, Line 25, preceding "If an agency", delete "(b)" and insert in lieu thereof "(c)".

On Page 3, Section 4, Line 30, following "adopt", delete "an emergency" and insert in lieu thereof "the".

On Page 3, Section 4, Line 30, following "rule." delete in its entirety the sentence beginning "The rule" in Line 30 and ending "such period." in Line 33.

On Page 3, Section 4, Line 34, preceding "No rule", delete "(c)" and insert in lieu thereof "(d)".

On Page 3, Section 4, Line 37, following "commenced within", delete "2 years", and insert in lieu thereof "1 year".

On Page 3, Section 5, Line 2, following "adopted by it" delete ", including all rules existing on the effective date of this act not theretofore so filed. The Secretary

of State shall keep a permanent register of the rules open to public inspection''.

On Page 3, Section 5, Line 6, following ''is effective'', delete ''20 days after'' and insert in lieu thereof ''upon''.

On Page 3, Section 5, Line 6, following ''filing'', delete '', except that:'', and insert in lieu thereof ''with the Secretary of State.''

On Page 3, Section 5, Line 8, delete in its entirety the sub-subsection beginning in Line 8 ''(1) If a'' and ending in Line 9 ''effective date;''

On Page 3, Section 5, Line 10, delete in its entirety the sub-subsection beginning in Line 10 ''(2) Subject to'' and ending in Line 19 ''them.''

On Page 4, Section 5, following Line 19, insert three subsections as follows:

''(c) The Secretary of State shall: (1) accept for filing or publication any rule duly adopted and submitted by any agency pursuant to this act; (2) endorse upon the certified copy of each rule accepted for filing pursuant to this act the date and time upon which such rule was filed; and (3) maintain the certified copy of each rule so filed in a permanent register open to public inspection.

''(d) The filing of a certified copy of any rule shall be deemed to establish the rebuttable presumptions that: (1) it was duly adopted; (2) it was duly submitted for prepublication and made available for public inspection at the hour and date endorsed upon it; (3) all requirements of this act and of inter-agency rules of the Secretary of State relative to such rule have been complied with; (4) its text is the text of the rule as adopted. Judicial notice shall be taken of the text of each rule, duly filed.

''(e) The publication of a rule in the New Jersey Administrative Code or the New Jersey Register shall be deemed to establish the rebuttable presumption that the rule was duly filed and that the text of the rule as so published is the text of the rule adopted. Judicial notice shall be taken of the text of each rule published in the New Jersey Administrative Code or the New Jersey Register.''

On Page 4, Section 5, Line 19, following Section 5, insert the following section:

"6. (a) There is hereby created in the Department of State a Division of Administrative Procedure.

"(b) The Secretary shall employ and assign to the Division such personnel as shall enable the Division to discharge its responsibilities effectively and efficiently. The Department of State shall furnish such funds, equipment, and personnel as is necessary to implement the work of the Division within the limits of appropriations for the purpose.

"(c) The Division shall be under the immediate supervision of a Director who shall be a person qualified by training and experience to direct the work of such Division. The Director shall be appointed by the Secretary without regard to the provisions of the Civil Service Law, Title 11, New Jersey Statutes, and shall serve at the pleasure of the Secretary and until the Director's successor is appointed and has qualified. He shall receive such salary as is provided by law. The Director: (1) shall administer the work of the Division under the direction and supervision of the Secretary; (2) shall perform such functions, in addition to the work of the Division, as the Secretary may prescribe; (3) shall organize and reorganize the Division; (4) shall assign and reassign personnel to employment within the Division; (5) shall perform or cause to be performed the work of the Division in such manner and pursuant to such program as he may deem necessary and appropriate; (6) shall employ as necessary the services of the several departments and agencies of state government and of the employees of such departments and agencies, in such manner and to such extent as may be agreed upon by the chief executive officer of such department or agency and the Secretary.

"(d) The Secretary shall oversee the implementation of this act by each agency and is empowered to do all things necessary and appropriate to that end. The Secretary shall delegate to the Director his responsibility and authority pursuant to this act, or such of that responsibility and authority as he may

deem desirable, which shall be exercised under his supervision and direction.

"(e) The Division: (1) shall advise agencies concerning their obligations under this act, subject to the provisions of Section 4(b) and 4(e) of Chapter 20, Laws of 1944, as amended and supplemented (C. 52:17A–4b and 4e); (2) shall advise agencies in connection with the preparation, consideration, publication and interpretation of rules required or appropriate pursuant to this act; (3) shall, to the extent and in such manner as the Director may deem appropriate, assist agencies in the preparation of rules to the end that such rules be uniform and consistent to the extent practicable; (4) shall secure, compile, and maintain as reference material rules and supporting information appropriate to the exercise of its responsibilities; (5) shall effect and maintain liaison with agencies to assure compliance with this act; (6) shall formulate inter-departmental rules for the prompt, proper and coordinated promulgation of all rules required or appropriate pursuant to this act; (7) shall have access to information concerning each agency to assure the proper promulgation of all rules required by law; (8) shall advise each agency and, to such extent as the Director may deem appropriate, shall establish standards regarding the conduct of hearings."

On Page 4, Section 6, Line 1, delete "6.", and insert in lieu thereof "7.".

On Page 4, Section 6, Line 1, following "(a) The", delete "Secretary of State" and insert in lieu thereof "Director".

On Page 4, Section 6, Line 2, preceding "all effective", insert "a publication to be known as the 'New Jersey Administrative Code,' containing".

On Page 4, Section 6, Line 2, following "each agency.", delete "Compilations", and insert in lieu thereof "The Code".

On Page 4, Section 6, Line 4, following "(b) The", delete "Secretary of State" and insert in lieu thereof "Director".

On Page 4, Section 6, Line 5, following "setting forth", insert ": (1)".

On Page 4, Section 6, Line 6, following "the preceding month", delete "excluding rules in effect upon the adoption of this act" and insert in lieu thereof ", and (2) such notices as shall have been submitted pursuant to this act.".

On Page 4, Section 6, Line 8, following "(c) The", delete "Secretary of State" and insert in lieu thereof "Director".

On Page 4, Section 6, Line 11, following "made available", insert "by the adopting agency".

On Page 4, Section 6, Line 12, preceding ", and if", delete "to the adopting agency", and insert in lieu thereof "thereto".

On Page 4, Section 6, Line 12, following "if the", delete "register", and insert in lieu thereof "Register".

On Page 4, Section 6, Line 12, following "or", delete "compilation", and insert in lieu thereof "Code".

On Page 4, Section 6, Line 14, following "stating", delete "how", and insert in lieu thereof "the manner in which".

On Page 4, Section 6, Line 14, following "may be obtained.", insert "He may include within the New Jersey Register and the New Jersey Administrative Code any document, material or information which he in his discretion may deem appropriate and convenient.".

On Page 4, Section 6, Line 17, following "State", insert "and such other public officials as the Director may designate".

On Page 4, Section 6, Line 18, preceding "to cover", delete "Secretary of State", and insert in lieu thereof "Director".

On Page 4, Section 6, Line 20, following "rules, the ". delete "Secretary of State" and insert in lieu thereof "Director".

On Page 4, Section 6, following Line 25, insert two subsections as follows:

"(f) The Director may determine the order in which such rules or any parts thereof are to be presented in the New Jersey Register and the New Jersey Administrative Code; he may number or renumber the parts, paragraphs and sections into which such rules may be divided; he may further divide or combine existing parts, paragraphs and sections and he may provide for appropriate digests, indices and other related material. He shall not, however, change the language of any existing rule excepting a title or explanatory caption; but he shall recommend any such changes as he may deem advisable to the administrative agency authorized to adopt such rule.

(g) The Director is hereby authorized and empowered to promulgate and enforce inter-agency rules for the implementation and administration of this act."

On Page 4, Section 7, Line 1, delete in its entirety Section 7.

On Page 4, Section 8, Line 1, delete in its entirety Section 8.

On Page 4, Section 9, Line 1, delete "9.", insert in lieu thereof "8.".

On Page 4, Section 9, Line 1, following "Declaratory rullings.", delete "On request of any interested person, an agency may in its sound", and insert in lieu thereof "Subject to the provisions of Sections 4(b) and 4(e) of Chapter 20, Laws of 1944, as amended and supplemented (C. 52:17A–4b and 4e, an agency upon the request of any interested person may in its".

On Page 5, Section 10, Line 1, delete "10.", and insert in lieu thereof "9.".

On Page 5, Section 10, Line 3, following "shall include", insert "in addition to such other information as may be deemed appropriate".

On Page 5, Section 10, Line 15, following "issues involved", delete "pro se or by an attorney-at-law".

On Page 5, Section 10, Line 18, following "agreed settlement," insert "or".

On Page 5, Section 10, Line 19, following "order", delete ", or default".

On Page 5, Section 10, Line 20, delete in its entirety the subsection beginning in Line 20, "(e) The record" and ending in Line 31 "the case.".

On Page 5, Section 10, Line 31A, preceding "Oral proceedings", delete "(f)" and insert in lieu thereof "(e)".

On Page 5, Section 10, Line 32, following "any party", insert "at the expense of such party".

On Page 5, Section 10, Line 33, preceding "Findings of", delete "(g)" and insert in lieu thereof "(f)".

On Page 5, Section 10, Line 35, preceding "Unless otherwise", delete "(h)", and insert in lieu thereof "(g)".

On Page 6, Section 11, Line 1, preceding "In contested", delete "11." and insert in lieu thereof "10.".

On Page 6, Section 11, Line 2, delete in its entirety the subsection beginning in Line 2 "(a) The parties" and ending in Line 9 "of the facts." and insert in lieu thereof the following subsection:

"(a) The parties shall not be bound by rules of evidence whether statutory, common law, or adopted by the Rules of Court. All relevant evidence is admissible, except as otherwise provided herein. The presiding officer may in his discretion exclude any evidence if he finds that its probative value is substantially outweighed by the risk that its admission will either (i) necessitate undue consumption of time or (ii) create substantial danger of undue prejudice or confusion. The presiding officer shall give effect to the rules of privilege recognized by law. Every party shall have the right to present his case or defense by oral and documentary evidence, to submit rebuttal evidence and to conduct such cross-examination as may be required for a full and true disclosure of the facts.".

On Page 6, Section 11, Line 10, following "of judicially", delete "cognizable", and insert in lieu thereof "noticeable".

On Page 6, Section 12, Line 1, delete in their entirety Line 1 through and including Line 26.

On Page 7, Section 12, Line 27, preceding "When a", delete "(e)" and insert in lieu thereof "(c)".

On Page 7, Section 12, Line 27, following "When a", delete "hearer" and insert in lieu thereof "person not empowered to render an administrative adjudication".

On Page 7, Section 12, Line 28, following "presiding officer," delete "and (1)".

On Page 7, Section 12, Line 29, following "conclusions of law", delete "has been" and insert in lieu thereof "shall be".

On Page 7, Section 12, Line 31, following "of record", delete ", or their attorneys of record".

On Page 7, Section 12, Line 31, following "and", delete "(2)".

On Page 7, Section 12, Line 31, following "an opportunity", delete "has been" and insert in lieu thereof "shall be".

On Page 7, Section 12, Line 35, following "may order", delete "; and (3) the" and insert in lieu thereof". The".

On Page 7, Section 12, Line 35, following "the agency", delete "has adopted, rejected or modified", and insert in lieu thereof "shall adopt, reject or modify".

On Page age 7, Section 12, Line 39, delete in their entirety Line 39 through and including Line 44.

On Page 7, Section 13, Line 1, preceding "A final", delete "13." and insert in lieu thereof "(d)".

On page 7, Section 14, Line 1, preceding "Except where", delete "14." and insert in lieu thereof "(e)".

On Page 7, Section 14, Line 4, following "record,", delete "or their attorneys of record", and insert in lieu thereof "whichever shall occur first".

On Page 7, Section 15, Line 1, preceding "No agency", delete "15." and insert in lieu thereof "11."

On Page 8, Section 15, Line 16, following "basis of a", delete "court conviction or".

On Page 8, Section 15, Line 16, following "judgment", insert "of a court of competent jurisdiction".

On Page 8, Section 15, Line 17, following "refusal to", delete "review" and insert in lieu thereof "renew".

On Page 8, Section 16, Line 1, preceding "Whenever under", delete "16." and insert in lieu thereof "12."

On Page 8, Section 16, Line 3, following "unimpaired and", delete "the" and insert in lieu thereof "any".

On Page 8, Section 16, Line 4, following "of the agency", delete "by appeal to the Appellate Division of the Superior Court".

On Page 8, Section 16, Line 7, delete "exxcept section 12 of this act".

On Page 8, Sectioon 17, Line 1, delete in its entirety Section 17.

On Page 8, Section 18, Line 1, preceding "Nothing in", delete "18.", and insert in lieu thereof "13."

On Page 8, Section 19, Line 1, preceding "If any provision" delete "19." and insert in lieu thereof "14."

On Page 8, Section 20, Line 1, preceding "All acts", delete "20." and insert in lieu thereof "15."

On Page 8, Section 20, Line 3, following Line 3, insert the following section:

"16. There is hereby appropriated out of the General Treasury the sum of $300,000 to the Department of State for use to the extent and in the manner that the Secretary may deem necessary in connection with the action authorized by Section 17 of this act for the fiscal year ending June 30, 1969."

On Page 8, Section 21, Line 1, preceding "This act", delete "21." and insert in lieu thereof "17."

On Page 8, Section 21, Line 1, following "take effect", delete "6 months after its approval" and insert in lieu thereof "September 1 1969, provided, however, that any agency upon which responsibility or duty is imposed by this act may immediately take such action as may be necessary in preparation for the discharge of such responsibility or duty."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 27, 1968.

SENATE BILL No. 250

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 250, with my objections, for reconsideration.

This bill would amend the "State Aid Road System Act of 1967," to provide that the State's share of the cost of any project shall be increased from the present 50% level to 90% of the total cost. The apparent purpose of this legislation is to relieve counties and municipalities from most of the financial burden of construction projects on the local road network.

As a general proposition, the idea of easing the financial burden on our counties and municipalities is desirable, particularly in these times of high governmental costs. The effect of this legislation, however, is to reduce the local contribution for county and municipal road construction without providing correspondingly increased State funds for this important purpose. As a result, the $30 million that is now generated annually under this program for local road construction from State and local sources will be reduced to approximately $16.5 million. At the present time, approximately $1.5 billion is raised locally by general property taxes. The tax relief afforded by this $13.5 million reduction in local spending must be measured against the equally real loss to our counties and municipalities of the reduced level of local road construction.

A comprehensive study of local road needs has just been completed for the Department of Transportation. This report shows that on the county and municipal primary systems nearly 1,000 miles of local roads are deficient by current standards. In addition, the report indicates that the average annual needs for county and municipal road programs could exceed $300 million a year and that existing revenue sources—Federal, State and local—are inadequate to meet present and anticipated local road requirements. Under these circumstances, I do not believe it is

desirable at this time for State government to encourage a decreased level of local support for critical local road construction.

With regard to counties, the present matching requirement does not appear to impose an excessive financial burden on any of these units even though financial capacity varies from county to county. During the past two years, county applications for State funds have greatly exceeded the level of State funds available. For this reason, I believe that the present matching requirement should be retained.

The problem with regard to our municipal units is somewhat more severe. Many of our municipalities have a relatively small ratable base. In addition, a number have been compelled to impose relatively high tax rates. With this in mind, I believe that a modification of the present matching formula can be justified for municipalities. In an effort to balance the need for the largest possible construction program against the financial limitations confronting many municipalities, I would recommend that the present matching requirement for municipalities be adjusted to provide that the State will pay up to 75% of the total project cost.

The present $15 million State Aid program is divided approximately two-thirds to the counties and one-third to the municipalities. If this division is maintained, the modification I have suggested would permit an annual local construction program under this act of approximately $26.5 million, or approximately $10 million more than is contemplated under Senate Bill No. 250.

I wish to call to the Legislature's attention at this time another area of this legislation which requires adjustment. At the present time, bridge improvements are not eligible for participation under this program unless they are located upon the State Aid Road System. It is apparent that many local bridges throughout the State will require improvement in the next few years. A number of these structures can be improved only by a substantial expenditure of funds but many of these structures are not now eligible for participation in the State Aid Road System program because they are not physically on the system. This situation may tend to preclude these structures from serious consideration, although their condition may justify prompt attention. In a time when our attention has been directed particularly to the problem of bridge safety, I would recommend to the

Legislature that the State Aid Road System Act be amended to provide that bridges are eligible for State assistance without regard to their location throughout the State.

As an indication of the need for this change, the Department of Transportation has been notified by most counties that a comprehensive inspection of existing county bridge structures, which total in excess of 25,000 bridges, will require several millions of dollars. Most of these counties are seeking State assistance to underwrite this substantial but highly essential inspection cost. I am, therefore, suggesting that up to 10% of the next State Aid allocation be made available to defray these inspection costs so that this essential local bridge inspection program can be carried out as completely and expeditiously as possible.

Accordingly, I am returning herewith Senate Bill No. 250 for reconsideration with the recommendation that it be amended as follows:

On page 1, title, line 1, after "amend", insert "and supplement".

On page 1, section 1, line 4, delete "90%" and insert in lieu thereof, ", in the case of county projects 50% and in the case of municipal projects 75%".

On page 1, section 1, line 10, following section 1, insert a new section as follows:

"2. County and municipal bridges and viaducts, without regard to location in the State, may be improved or reconstructed with funds available under the provisions of this act in the same manner as county and municipal roads on the State Aid Road System.

"Of the total funds available to counties and municipalities under the provisions of this act for the calendar year commencing January 1, 1969, the Commissioner may allocate not more than 10% of such amount to defray the cost of carrying out a comprehensive bridge inspection program but to the extent possible the allocation of such funds shall be made in the same manner and subject to the same conditions as is provided for all other funds distributed under the provisions of this act."

On page 1, section 2, line 1, delete "2" and insert in lieu thereof "3".

Respectfully,

[SEAL] RICHARD J. HUGHES,
Attest: *Governor.*
LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 14, 1968.

ASSEMBLY BILL No. 61 (1968)

To the Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 61, with my objections, for reconsideration.

This bill would appropriate the sum of $1,390,000.00 to the Department of Conservation and Economic Development for the purpose of underwriting the cost of constructing beachfill and stone jetties in the Borough of Cape May Point, pursuant to the provisions of chapter 52 of the Laws of 1940. All shore erosion work pursuant to the bill must be done under contract with the Department of Conservation and Economic Development, and the bill would take effect upon my approval thereof.

There can be no doubt whatsoever that New Jersey's 125-mile Atlantic Ocean coastline—and the resort areas which have developed along its length—must be protected against the constant ravages of shore erosion. Absent swift and sure erosion control techniques, little but ghost towns would remain today of resorts such as Asbury Park, Bradley Beach, Belmar, Seaside Heights, Atlantic City, Ocean City, and Wildwood, to name a few.

The struggle against the inexorable pull of the ocean tides, however, is a never-ending battle, as the Borough of Cape May Point can well testify. The sea is laying claim to ever-increasing ocean frontage in this tiny borough of 280 people,

situated at the southern-most tip of New Jersey. It is painfully obvious that proper steps—consistent with the established policy and law of this State—must be taken to prevent the Borough of Cape May Point from being washed out to sea.

Although perhaps more the result of historical accident than considered judgment (since beaches were initially privately owned), the problem of protection against beach erosion was originally conceived as a municipal function. Since 1944, however, the State of New Jersey has recognized the wisdom of State efforts to preserve the beaches of this State for the enjoyment of all of its citizens.

In every year from 1944 to the present date (with the exception of 1954, when no appropriation was provided), the State's shore erosion control efforts have consistently adhered to established statutory framework. That framework contemplates a 50-50 partnership between the State of New Jersey and local units of government in halting the ravages of beach erosion. This cooperative program of the past 23 years has resulted in the construction of approximately $45,478,496 worth of jetties, groins and beachfill. Obvious results such as these are a credit to the past 23 Legislatures and the statutory partnership which they have honored.

While departures from this proven framework should not be lightly taken, the emergent situation facing the Borough of Cape May Point may well justify prompt action outside the established pattern of this State's beach protection programs. As is the case with many of the smaller Atlantic coast municipalities of this State, the Borough of Cape May Point does not have the financial capacity to undertake the substantial capital construction required in shore erosion control projects. With an area of one-third of a square mile, the Borough's average ratable properties for the past 3 years amount to only $3,533,722.67. Its consequent gross borrowing capacity is $123,680.29, of which $19,500.00 has already been exhausted by outstanding bonds. The remaining net borrowing capacity of the Borough of Cape May Point—$104,180.29—is demonstrably insufficient to finance the construction and anchorage of massive stone jetties and groins. Accordingly, I would be willing to approve Assembly Bill No. 61's departure from the pattern of this State's beach protection programs.

I hardly need tell the Legislature, however, that there has been no material improvement in the revenue profile of the State since I delivered my Budget Message. Assembly Bill No. 61 would reduce those unappropriated funds which I have anticipated as revenue for fiscal 1969 by $1,390,000.00, thereby weakening the ability of the State to meet both unexpected contingencies occurring in the current fiscal year as well as the enormous capital and program demands facing the State in fiscal 1969 and subsequent years.

I have been advised by the Commissioner of Conservation and Economic Development that the expenditure of one-half of the monies appropriated by Assembly Bill No. 61 would result in substantial completion of present beach erosion control plans for Cape May Point. Further construction of jetties and groins, if necessary, could then possibly be financed as part of the State's continuing beach protection program. In addition, it does not appear unrealistic to expect the County of Cape May to begin to shoulder some portion of the burden of preserving the beaches of one of its most historic municipalities. I fully realize that such a plan of action may not fully satisfy the expectations of the residents of the Borough of Cape May Point. Nevertheless, I am confident that the appropriation of $695,000.00—instead of $1,390,000.00—honestly discharges our ". . . underlying duty to the people of New Jersey," as I stated in my Budget Message, "to exercise the highest degree of prudence in spending while providing the services that this vital State requires."

My comments herein on Assembly Bill No. 61 challenge neither the sincerity of the Legislature nor the severity of shore erosion in the Borough of Cape May Point. Instead, they reflect the realization of both the Governor and the Legislature, as my Budget Message noted, that ". . . we know that we cannot do all that we would like to do in one year; but we can accomplish our goals; if they remain reasonable, over a period of the next few years."

For these reasons, I, herewith, return Assembly Bill No. 61 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 11, delete "municipality" and insert in lieu thereof "borough of Cape May Point".

On page 2, section 2, line 1, delete "$1,390,000.00" and insert in lieu thereof "$695,000.00".

On page 2, section 2, line 2, after "treasury" insert "to the Department of Conservation and Economic Development".

On page 2, section 2, line 2, delete "purposes of this act" and insert in lieu thereof "purpose of carrying out the provisions of this act".

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER.
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 3, 1968.

ASSEMBLY BILL No. 157

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 157, with my objections, for reconsideration.

This bill would confer permanent civil service status, without competitive examination, on certain persons who have been temporarily employed for at least six years as correction officers in the Department of Institutions and Agencies. I am advised that the measure is designed to benefit persons employed at the Annandale Reformatory who are presently ineligible by reason of age to take the regularly scheduled civil service examinations. I am further advised that these men have completed an average of thirteen years of successful service at the institution and are deserving of the job security which this measure would confer upon them. While I do not object to the obvious purpose of this bill, I must nevertheless register my sharp disapproval of the manner by which it seeks to accomplish that purpose—certification to the permanent civil service without examination.

The problem to which Assembly Bill No. 157 is addressed is not novel. The Legislature has on prior occasions lifted

age barriers so that deserving employees could be made part of the permanent civil service. A case clearly in point is provided by chapter 182 of the Laws of 1954, approved by my predecessor, Governor Meyner, which was also designed to bring into the civil service a number of over-age correction officers at the Annandale Reformatory. That measure, unlike this, required that an appropriate examination be passed prior to certification.

Both the Constitution and the statutes of this State require that appointments to, and promotions within, the civil service of this State shall be made according to fitness and merit to be ascertained, as far as practicable, by competitive examination (N. J. Constitution, Article VII, Section I, paragraph 2; Section 11:4–2 of the Revised Statutes). Clearly, an examination is practicable in the instant situation and such an examination can be designed so as to be compatible with the age of the applicants. Under these circumstances, I can only view Assembly Bill No. 157 in its present form as an incursion upon the high public policy stated in the Constitution and statutes of this State.

For these reasons, I herewith return Assembly Bill No. 157 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 1, delete "All holders of the position of correction officer" and insert in lieu thereof "Persons employed as correction officers".

On page 1, section 1, line 2, delete "allocated to the classified" and insert in lieu thereof "disqualified by age from taking the civil".

On page 1, section 1, line 3, delete "of the Civil Service" and insert in lieu thereof "examinations for such positions".

On page 1, section 1, line 3, before "who" insert "and".

On page 1, section 1, line 3, before "employed" insert "continuously so".

On page 1, section 1, line 3, after "employed " insert "prior to April 1, 1962,".

On page 1, section 1, line 3, delete "in" and insert in lieu thereof "on".

On page 1, section 1, line 3, delete "capacity" and insert in lieu thereof "basis,".

On page 1, section 1, line 4, delete in its entirety.

On page 1, section 1, line 5, delete "ployed on January 19, 1968".

On page 1, section 1, line 5, after "shall" insert ", upon the passage of this act,".

On page 1, section 1, line 5, delete "reported to the Civil Service".

On page 1, section 1, line 6, delete "Commission for certification, without examination,".

On page 1, section 1, line 6, before "in" insert "placed".

On page 1, section 1, line 7, after "service" delete ". Such persons shall, from the effective date of this act," and insert in lieu thereof "of the civil service; provided, however, that such persons shall be required to take the written and oral examinations and a physical examination compatible with age, to be conducted by the Civil Service Commission within 30 days of the effective date of this act. Upon passing said examinations such correction officers, so employed on a temporary basis prior to April 1, 1962, and who were so employed on January 19, 1968, shall be placed in the classified service of the civil service of this State, with permanent status effective as of January 19, 1968.".

On page 1, section 1, line 8, delete in its entirety.

On page 1, section 1, line 9, delete in its entirety.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 20, 1968.

ASSEMBLY BILL No. 862

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 862, with my objections, for reconsideration.

Assembly Bill No. 862 amends the Motor Vehicle Law to raise the various fees chargeable for motor vehicle registrations, licenses and permits. It is part of the Legislature's revenue package to finance the cost of government in the State. I have previously indicated publicly that I would approve such increases in fees should they be required for the purpose of providing funds to carry on the essential business of government.

As originally introduced, this bill dealt exclusively with the question of increased fees and touched on no other aspect of the Motor Vehicle Law. It was so accepted and recognized, I am sure, by the members of the Legislature.

On Monday, June 17, 1968, Assembly Bill No. 862, which had received second reading in the Senate on June 10, 1968, was referred back to second reading and amended. It was thereafter passed as an emergency measure in the Senate and the Senate amendments were immediately concurred in by the Assembly. Obviously, as a result of this rush to pass the legislation, few, if any, members of the Legislature ever had an opportunity to inspect the text of the amendments which had been made in the Senate to Assembly Bill No. 862. As I understand it, the amendments were described as adjustments in the fees payable by certain commercial motor vehicles. These adjustments were designed to lessen the impact on the trucking industry that would be created by an approximate 20% increase in those fees.

In reviewing this measure, I now find that an entirely different provision, foreign to the subject of fee increases, was quietly inserted into this legislation. A section has been added that would authorize the operation of tractor-trailer combinations, up to the length of 65 feet, "on highways of four or more lanes and access highways into and therefrom."

The obvious purpose of this new provision is to authorize the operation of so-called "double-bottom" or double trailer combinations in New Jersey in excess of the present 55-foot limitation. With the exception of Delaware and Maryland, no state from Florida to Maine on the eastern seaboard now permits the operation of truck combinations of this size on the public highways.

There was also inserted a provision concerning the fee for the registration of motor vehicles in excess of 72,000 pounds. This additional provision apparently is in antici-

pation of a possible approval of increased gross weights by the Federal government beyond the present limits.

I cannot believe that the Legislature has determined to make such fundamental changes in the present laws limiting the sizes and weights of trucks in the casual fashion suggested by the legislative history of this bill. Without any doubt, the increase in the size of commercial vehicles poses a problem for every motorist on our highways. There are obvious safety questions about the proper operation of such large double trailer truck combinations on a highway network as heavily used as that of New Jersey. Within the limited period that has been available to review this bill, the Division of State Police has concluded that the operations of such large truck trailer combinations would pose an increased hazard on our highways.

The Department of Transportation has indicated that it is unclear whether such combinations can be safely accommodated on many of our highway ramp connections and intersections which were designed for smaller vehicles. The possibility of increased gross weights of vehicles also poses very disturbing questions.

For these reasons, I do not believe that the changes suggested by these additional amendments should be enacted without a more careful review of this subject by the Legislature upon due notice to the traveling public who have a vital interest in such an adjustment of the Motor Vehicle Laws. If further modification of our present dimension and weight requirements are justified, this can be demonstrated after due notice and public hearings.

Accordingly, I am returning herewith Assembly Bill No. 862 for reconsideration with the recommendation that it be amended as follows:

On page 8, section 6, after line 43, delete, "An applicant for registration in excess of 72,000 pounds shall pay to the director a fee at the rate of $7.00 for each 1,000 pounds of gross weight of the vehicle and load or any part of 1,000 pounds."

On page 17, section 17, delete section 17 in its entirety.

On page 17, section 18, line 1, delete "18" and insert in lieu thereof "17".

On page 17, section 18, line 1, delete "19" and insert in lieu thereof "18".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 27, 1968.

ASSEMBLY BILL No. 254

To the General Assembly:

I herewith return Assembly Bill No. 254, without my approval, for the following reasons:

This bill would authorize the governing body of every municipality of this State to create a nonpaid citizen special police force, to fix the qualifications of the members of such special police force, and to appoint members to such force under the direction of the chief of police of the municipality. In addition, this bill provides that nonpaid citizen special policemen appointed pursuant to it shall receive workmen's compensation benefits for injuries sustained in the line of duty.

It is my understanding that the purpose of this bill is to provide some mechanism for dealing with the highly seasonal police problems of New Jersey's seashore communities. The appointment of nonpaid citizen special policemen would obviously augment small seashore police forces which are seriously overburdened in the summer months.

While the purpose of this bill is both laudable and understandable, the remedy proposed by Assembly Bill No. 254 is directly contrary to another goal shared by all, without regard to residence or political affiliation—police professionalism. This administration and several Legislatures have proposed and adopted numerous programs designed to raise the professional level of police services. A significant—and continuing—beachhead in this regard was the

adoption in 1965 of mandatory police training for municipal police officers. More recent programs are designed to provide police officers with the tools—whether financial, technological or educational—needed to keep pace with ever-more sophisticated crime techniques. No matter how intense his desire, nor how admirable his willingness to serve, it should be painfully obvious that volunteer, nonpaid citizen special policemen are no substitute for trained, qualified police professionals.

I have no real choice—for the welfare of the citizens who might be appointed special policemen as well as for my continuing efforts to increase police professionalism—but to withhold my approval from this bill.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 27, 1968.

SENATE BILL No. 930

To the Senate:

I herewith return Senate Bill No. 930, without my approval, for the following reasons:

This bill would increase from 7 to 9 the number of members of a county sewer authority established pursuant to chapter 123 of the Laws of 1946. No sound reasons have been shown as to why such additional members are needed.

This bill is defective in a number of particulars. The existing statute provides for authority boards consisting of either 5 or 7 members, and establishes that 3 members shall constitute a quorum of a 5-member board and 4 members shall constitute a quorum of a 7-member board. N. J. S. A. 40:36A–7. This bill, while increasing 7-member boards to 9 members, neglects to establish the quorum for such an expanded board.

This bill allows no discretion for retaining the present size of 7-member boards even in a county where the Board of Chosen Freeholders may wish to continue that size. Thus, the bill could burden the authorities with additional salary expenses even where there is no desire and no need for a larger membership.

The bill specifies the length of terms for the new members when a 5-member board is expanded to 9 members but contains no such provision for the expansion from 7 to 9 members.

Furthermore, by providing that the 4 additional members appointed as a result of such an expansion, would all serve concurrent 3-year terms, the bill would disrupt the carefully constructed system of overlapping terms which assures a continuity of membership under the statutes at present. This bill could result in having the terms of 7 out of the 9 members expire in the same year.

Even if it were desirable to expand the size of county sewer authority boards, this bill would fail to achieve that objective in an orderly and effective manner.

For these reasons, I am returning Senate Bill No. 930 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 11, 1968.

SENATE BILL No. 330

To the Senate:

I herewith return Senate Bill No. 330, without my approval, for the reasons set forth below:

Senate Bill No. 330 alters the present composition of the Seventh and Ninth Congressional Districts by transferring

16 municipalities in northeastern Bergen County from the Seventh District to the Ninth District and ten municipalities in west central Bergen County from the Ninth District to the Seventh District.

This bill has but one purpose—to assure the election of Republican candidates from both of these congressional districts. To achieve this purpose, the backers of the bill have disregarded the intention of the framers of the United States Constitution, violated accepted principles of congressional and legislative districting, and run roughshod over valid objections voiced in the Legislature against this bill.

Wholly apart from the partisan purpose which prompted its passage, Senate Bill No. 330 deserves to be rejected because it destroys the community of interests, compactness, and contiguity of the present congressional districts in Bergen County, and because it would increase the difference in population between these two districts according to recent population estimates. In addition, serious doubts arise as to the constitutionality of this bill because of the question whether the United States Constitution countenances further redistricting, without legitimate purpose, before the next census once a valid comprehensive districting plan has become law.

I. Community of Interests

The present districting in Bergen County groups the older, more industrialized communities of South, Central and East Bergen together in the Ninth District; and places the more affluent, residential suburbs in the northern half of Bergen County together in the Seventh District. This arrangement makes sense because it brings together in each district communities with similar problems in such fields as transportation, schools, air and water pollution control, sewage and garbage disposal, and meadowlands development. Communities such as Hackensack, Garfield, Lodi, East Paterson and Saddle Brook share more common interests with their neighbors to the south and east than with Ridgewood, Saddle River, or other Northwest Bergen communities. Likewise, Englewood, Tenafly, and other Northern Valley communities have more in common with the Pascack Valley and with Ridgewood than with North Arlington or Lyndhurst. Yet this bill disregards these

facts. It ignores the "community of interests" principle of districting.

The districting approach contained in this legislation has been justified on the grounds that it would be preferable to make both congressional districts a "cross-section of well-to-do communities in the northern part of the county and less affluent industrial towns in southern Bergen." This "Cross-section" argument is equivalent to saying that a grocery store ought to mix apples, oranges, potatoes, and cabbages in the same bins so that its customers could more easily buy a variety of foods. Representative democracy requires that a variety of interests receive effective representation. But this can be accomplished only if districts vary one from another, with different concerns and influences predominating in different districts. If every district were a perfect cross-section of the entire country, then the same majority would tend to elect like-minded representatives from every district. This would eliminate representation for all divergent viewpoints. That, of course, is exactly what the Republican Party in Bergen County seeks to do by means of this bill.

II. Compactness

Traditionally, geographical compactness of election districts has been considered highly desirable to protect against political gerrymandering. The best measurement of compactness is obtained by circumscribing the district with a circle having the smallest possible radius. An index of compactness can then be calculated by determining what fraction of the area of this circle is occupied by the district. In the case of the present Ninth District, this index is an admirable 50.5 percent. Senate Bill No. 330 would reduce that index to 27.3, or a relative reduction of 45.9 percent from the present index. For the current Seventh District the index is 41.1. This bill would result in a relative reduction of 14.6 percent from the present index, leaving an index of 35.1.

This comparison demonstrates in mathematical terms a fact that can also be seen by glancing at a map of the proposed new districts—that this bill would create a classic gerrymander.

III. Contiguity

In the course of the hasty consideration which this measure received in the Legislature, its supporters failed

to correct a defect which was pointed out during floor debate in each house. This oversight would result, if this bill were to become effective, in the creation of a non-contiguous island of the Seventh Congressional District completely surrounded by the Ninth District. This would occur because the Township of South Hackensack, which consists of three separate, non-contiguous pieces of territory, is assigned in its entirety to the Seventh District by this bill. However, the southern section of South Hackensack is completely surrounded by communities assigned to the Ninth District. This southern section of South Hackensack is separated from the main section of the township by Moonachie and Little Ferry, both of which would remain in the Ninth District under this bill.

Contiguity is well recognized as a criterion for districting. It is spelled out in the New Jersey Constitution as a requirement for all legislative districts. In regard to Congressional districts, the New Jersey Supreme Court commented in *Jones* v. *Falcey,* 48 N. J. 25, at 34 (1966):

> "Another limitation probably inheres, in the very concept of a 'district,' that is, that it must embrace an area with a single set of boundaries rather than be a collection of geographically isolated cases."

This bill fails to comply with that standard.

IV. Equality of Population

One excuse offered in behalf of this bill is that it would reduce slightly the present population deviation of the Seventh District. It is transparently clear that population deviations had nothing whatsoever to do with the reason for this bill's introduction and passage. In fact, this bill as it was originally introduced in both houses of the Legislature would actually have increased the population deviation of the Seventh District from —5.0% to —6.9%. Because of fear that the courts might reject this gerrymander on the grounds of this increase in deviation, the majority party had the bill amended in the Senate Committee to transfer Hasbrouck Heights and Teterboro from the Ninth to the Seventh District. This amendment now enables supporters of the bill to proclaim that its effect is to reduce slightly the present population deviation in the Seventh District. I am informed, however, that had the Republican majority been sincerely interested in equalizing the population of

these districts, several superior plans were available. For instance, a line could have been drawn so as to include Fair Lawn in the Ninth District and to move Leonia, Palisades and Fort Lee to the Seventh District. This would have resulted in districts having a difference of only 17 persons. Perhaps the reluctance on the part of the majority to choose this near-perfect option can be explained by the fact that, based on past election results, such a line would have enhanced the election chances of a Democratic candidate in the Ninth District. Actually, there is no need to make any adjustments in the present population figures in either of the Bergen County districts since the present deviations are minimal and have been found to meet the one-man, one-vote test by the New Jersey Supreme Court.

Furthermore, the trend of population growth in Bergen County since 1960 has reduced the difference in population between the Seventh and Ninth Districts. Although the 1960 census figures must provide the official basis of comparison until the next census, the more recent estimates indicate that this bill would in fact, expand rather that decrease the difference between districts and increase the probability that further changes would be required after the 1970 census. This point is fully illustrated by the fact that, based on 1966 population estimates of the Bergen County Planning Board, the difference in population between the Seventh and Ninth Districts under the existing plan is 6,035, while the difference under the proposed plan would become 19,773.

V. History

It has also been argued in defense of this bill that it would re-establish the dividing line in Bergen County between the Seventh and Ninth Districts as that line existed from 1931 to 1966. Even if this were true, it would not justify reverting in 1968 to mistakes made in 1931. The Seventh and Ninth Districts as then created became classic examples throughout the nation of gerrymandered districts.

This bill, of course, would not restore the Seventh and Ninth Districts as they were constituted prior to the 1966 redistricting act. It does not even follow exactly the same dividing line within Bergen County, inasmuch as it moves Hasbrouck Heights and Teterboro into the Seventh District for the first time. In addition, this bill would actually increase the political effectiveness of the old gerrymanders because it would not restore to the Ninth District the two

predominately Democratic municipalities from Hudson County which were in the district from 1931 to 1966.

The United States Supreme Court has said that the history of a district provides no justification for violating the equal population standard. Nor can history justify sacrificing the criteria of compactness, contiguity, and community of interests—which would be the effect of this bill.

VI. Piecemeal Approach

As the New Jersey Supreme Court noted in reviewing the 1966 redistricting act, the present districting plan preserves intact the boundaries of 15 of the 21 counties. This equals or excels the results of various alternative plans which were considered. However, it is inherent in the nature of districting that preservation of county lines in one area may necessarily require that they be broken elsewhere. The Legislature was faced with difficult decisions in making such choices. The courts have indicated that the present districting plan meets constitutional requirements, and it is doubtful that any alternative plan can be devised and enacted which would improve upon the present state-wide plan while still complying with these requirements. Nevertheless, there would be far more justification for the Legislature to attempt an over-all revision of the present districting plan for the purpose of restoring county lines which are now broken or otherwise improving aspects of the plan in some areas according to objective standards, than there can be for the piecemeal approach represented by this bill.

There are areas of the State—such as Camden, Middlesex and Union Counties—where objective improvements in the present plan might be sought. But this bill completely disregards such understandable aims. It makes no attempt to restore county boundaries, unify the community of interests, or improve the compactness of any districts. Instead, it deals only with the two Bergen County districts, and would decrease or destroy compactness, contiguity and community of interests in those districts.

Other piecemeal alterations in the present districting plan are now pending in the Legislature. If any changes at all are to be adopted, or could constitutionally be adopted, they should be undertaken as a single package.

VII. Exhaustion of State Authority

The most serious objection, however, to Senate Bill No. 330 is that it would inaugurate the practice of redistricting every time a partisan shift in legislative majorities occurs with all the attendant evils of legislative inattention to pressing public problems, time-consuming and expensive litigation and, most seriously, confusion of the electorate. Not only is the re-opening of the question of Congressional districting after the enactment of a constitutionally acceptable plan of questionable wisdom, but also grave doubts arise as to the Legislature's authority to do so. A substantial argument can be made that the authority of a State to redraw congressional districts is exhausted once a valid districting plan is enacted on the basis of the preceding federal census. This authority is revised by the next census and the resulting reapportionment of the seats in the United States House of Representatives. The records of the federal constitutional convention indicate that the constitutional provisions relating to decennial censuses, reapportionment of seats in the United States House of Representatives, and state districting were intended to create a system of representation which would operate as automatically as possible and which would minimize the possibilities of political interference with equal representation by means of malapportionment or gerrymandering. This intention can best be implemented if the constitutional provisions are construed as not authorizing further redistricting, without legitimate purpose, before the next census once a valid districting plan has become law.

Our New Jersey Constitution clearly recognizes the mischief resulting from reapportionment every time the political complexion of the Legislature changes and explicitly prohibits more than one valid reapportionment of legislative seats after each census. For reasons of sound public policy and constitutional law, I believe the same general principle should be applied to congressional redistricting.

My suggestion that the power of the Legislature is exhausted on the subject of congressional redistricting is not premised on any unique or novel concept of my own. One hundred years ago, the then Governor of New Jersey, Marcus Ward, vetoed a joint resolution of the Legislature which would have rescinded the action of a prior Legislature in ratifying the Fourteenth Amendment to the United States Constitution. Governor Ward suggested then, as I do now,

that once the Legislature of this State has properly fulfilled an obligation placed upon it by the United States Constitution its authority to act further ceases.

The evolving requirements of the principle of "one man, one vote," have prompted several congressional redistricting measures in New Jersey since the 1960 census. The New Jersey Supreme Court found the 1966 redistricting act to be constitutionally sound, with minor exceptions. The minor aspects of the 1966 plan to which the court expressed objections were corrected by subsequent legislation in 1967. There can be no question but that the present Congressional districting complies fully with all recognized constitutional standards. One election has already been held under the present districting in the Seventh and Ninth Congressional Districts. There is no valid reason for again altering these districts before the 1970 census.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 25, 1968.

SENATE BILL No. 275

To the Senate:

I herewith return Senate Bill No. 275, without my approval, for the following reasons:

Senate Bill No. 275 is intended to compel the holding of a special election in the City of Englewood to fill one seat on the Common Council and to alter, retroactively, the terms to which officials and employees of the City of Englewood have been appointed by the present governing body. This bill would disrupt the orderly judicial and electoral processes provided under present law.

In litigation arising after the last general election in Englewood, the trial court ruled that two Democratic can-

didates for Councilman, the Democratic candidate for Mayor and one Republican candidate for Councilman were validly elected in 1967. The election of a third Democratic Council candidate was invalidated by the trial court on the grounds that his 17-vote plurality was less than the number of invalid votes cast in the election. The judge found no evidence of fraud. The creation of this vacancy left the Mayor and four of the five Councilmen in office. The composition of the governing body by party affiliation then became two Democratic Councilmen, two Republican Councilmen (including one carry-over elected in a previous year), and a Democratic Mayor with the tie-breaking vote.

In accordance with the Englewood City Charter, the remaining members of the governing body then proceeded to fill the vacant Council seat. This conforms to the most common procedure for filling vacancies on municipal or county governing bodies in New Jersey. That procedure would not be altered by this bill. However, the bill would change the method by which a successor to the interim appointee is later chosen by the electorate. Present law provides that the successor is to be elected at the next general election. Under N.J.S.A. 19:3–29, this is the normal procedure for filling vacancies in all offices other than in Congress or the Legislature, regardless of how the vacancy arises.

Senate Bill No. 275 would extend to the Englewood situation selected provisions of an act which was designed to fill the void where a municipality is left without a functioning government because the election of a majority of the members of the governing body has been invalidated. That act provides for the temporary filling of such vacancies through appointments by the Superior Court assignment judge for the county. A special election must then be held within 65 days so that the voters can choose replacements to those temporary appointees.

An emergency of that nature, where a quorum of the governing body is lacking, is far different from a case in which the majority of the governing body remains in office. This bill recognizes the distinction by continuing to allow the remaining members of the governing body, rather than the assignment judge, to select the interim councilman to fill the vacancy. But this bill requires that a special election then be held to choose a successor, instead of waiting until the next regular election.

If this bill were to become law, the effects would be completely incongruous and irrational. A vacancy in a municipal governing body caused by death, resignation, or any other reason except the invalidation of an election, would be filled in the next general election. A vacancy in a county board of freeholders, even if caused by the invalidation of an election, would still be filled in the next general election. But a municipal vacancy caused by invalidation of an election would require the holding of a special election.

Under this bill the special election in Englewood might well be held during the summer vacation period, because the courts may stay the calling of the special election until the currently pending appeals can be heard and decided. Otherwise, the parties to this election dispute would be deprived of their rights to full judicial consideration. Regardless of the timing of a special election, the voter turnout is likely to be less than that at a general election and therefore less likely to provide an accurate expression of the will of the electorate.

This bill also attempts, retroactively, to destroy the regular appointive power possessed by the Englewood Council during the period in which an interim Councilman is serving. In Englewood this would affect appointments which have been made for specified terms to the Board of Education, the Planning Board, the Zoning Board of Adjustment, the Board of Local Assistance, the Board of Health, and the Library Board of Trustees. At the time these appointments were made, they were perfectly valid. They have not been challenged in any court action. This attempt to undo these appointments can only contribute to uncertainty and instability in Englewood's municipal government. Moreover, the unnecessary cost of several thousands of dollars to hold a special election would be amplified and aggravated by almost certain litigation relative to those appointments.

As with the provision for the special election, this limitation on the governing body's appointive power is appropriate where it has been necessary for a judge to pick persons to govern the community temporarily. These provisions should not be extended to situations where a popularly-elected government continues to function.

It is apparent that no legitimate purpose will be accomplished by this bill. It is intended to increase the possibility of one political party's regaining control of the municipal

government in a single municipality without even having to bother to wait until the next scheduled election. It is quite amazing to me that the Legislature should even consider the type of political maneuvering exemplified by this measure and which is clearly unworthy of a "responsible" Legislature.

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 13, 1968.

ASSEMBLY BILL No. 521

To the General Assembly:

I herewith return Assembly Bill No. 521, without my approval, for the following reasons:

This bill would exempt from the benefits of the overtime provisions of the Minimum Wage Law, all employees in "seasonal amusement occupations". This operative term, however, is so vaguely defined as to impart to the measure affects which I believe are both unintended and unwarranted.

For example, the bill provides that a "concession bordering the Atlantic Ocean" is to be considered an exempt seasonal amusement occupation. If the word "concession" is to be given its legally accepted meaning—a grant of a mercantile privilege on the premises of another—a business operated by a concessionnaire would be exempt but the same kind of business, if operated by the owner of the premises, would have to pay overtime. I cannot believe that the draftsmen of this legislation intended such an incongruous result. Yet, I find little assistance in the bill in trying to determine what in fact was intended.

I find the remainder of the phrase, "bordering the Atlantic Ocean", to be even more troublesome. It is im-

possible to determine whether the exemption is to apply throughout counties which border on the Atlantic Ocean, or in municipalities bordering the ocean, or in parts of those municipalities or whether the draftors intend that the concession itself must physically border the ocean. Such lack of precision defies sensible administrative interpretation.

Further, the bill purports to exempt any establishment exclusively used as an "amusement or recreational establishment" so long as it is not operated for more than 7 months in any calendar year. Swimming pools, bowling alleys, camps, race tracks, resort hotels are but a few of the businesses, the employees of which, would be deprived of overtime pay.

Finally, this bill, by exempting retail eating and drinking concessions, would undo not only the protection afforded employees of this State by the 1966 Minimum Wage Law, but would also undo the protection which has been accorded to females and minors under administrative wage orders entered as early as 1956.

If such broad incursion upon the coverage of the Minimum Wage Law was not the intention of the sponsors of this legislation, Assembly Bill No. 521 must be rejected to await clarification of this intent. If, however, such general effect was the intention of its sponsors, this proposal must be rejected as a gross retrenchment from the enlightened and equitable protection afforded to the working people of this State by the Minimum Wage Law.

Accordingly, I am constrained to return this measure without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
April 8, 1968.

ASSEMBLY BILL NO. 146

To the General Assembly:

I herewith return Assembly Bill No. 146, without my approval, for the following reasons:

Enactment of this bill would create uncertainty as to what boundaries would be in effect for this year's elections in at least four congressional districts. Unlike Senate Bill No. 330, this measure would not be limited in its effect to only two congressional districts. This bill creates a "domino effect" which may well require alterations in one or more additional districts besides the three which are changed by the terms of the bill. The resulting chaos could affect not only the district boundaries but also the timing of our electoral processes.

Especially in view of the decision of the New Jersey Supreme Court in *Koziol* v. *Burkhardt*, enactment of this bill could trigger court-imposed alterations in the boundaries of several districts. In *Koziol*, the State Supreme Court ordered changes in the boundaries specified in Senate Bill No. 330 in order to eliminate constitutional objections to that measure. The Court moved five municipalities from the districts to which they were assigned by the Legislature to the neighboring district in order to decrease the population disparity between adjacent districts to an absolute minimum.

This bill purports to alter only the boundaries of the Fifteenth, Third, and Sixth Congressional Districts. Its enactment would, however, raise a question as to whether the line between the Sixth and First Districts in Camden County would also have to be altered as a consequence. In *Jones* v. *Falcey*, the New Jersey Supreme Court declared:

"[W]e find no . . . justification for some of the deviations where county lines are broken and the mathematical ideal could be more nearly approached by redeployment of whole municipalities lying at the borders of the districts.

. . . [T]he command is to achieve equality, and a limited deviation is permissible only if there exists an acceptable reason for the deviation. So, a limited deviation may be acceptable if it is needed to stay with the lines of existing political subdivisions and thus to avoid the spectre of partisan gerrymandering. But the deviation may not exceed what the purpose inevitably requires. In other words, the command is to achieve population equality "as nearly as practicable," and if equality would be more nearly achieved by shifting whole municipalities to a contiguous district, the draftsman has not achieved equality "as nearly as practicable," unless some other constitutionally tenable reason (if there is any) can be shown to justify the disparity. If the lines of political subdivisions are ignored, there is no apparent reason for not achieving mathematical equality, subject of course to inevitable *de minimis* variations." 48 N. J. 25 at 37.

The court, in applying these rules in *Jones* v. *Falcey* to the First and Sixth Districts, determined that the disparity between the two districts should be decreased by transferring municipalities from the Sixth to the First District. The Legislature accomplished this in Senate Bill No. 18 of 1967 by moving Audubon and Haddonfield. This leaves a disparity at present of only 2,145 between these districts.

Assembly Bill No. 146, by transferring Ocean County communities with a population of 31,338 from the Sixth to the Third District, would increase the disparity between the Sixth and First Districts to 33,483. This might well require another boundary adjustment in Camden County—such as moving Haddonfield back to the Sixth District—to decrease this disparity and bring both the First and Sixth Districts closer to the ideal.

I wish to make it clear that I fully sympathize with the desires of many residents of Middlesex County that their county constitute a single congressional district. The facts remain, however, that the present population of Middlesex County is far in excess of the ideal population for a congressional district, and that the County is continuing to grow at a faster rate than the State as a whole. If it were possible now to make Middlesex County a single district, the County would still have to be divided again following the 1970 census. The most recent population estimates prepared by the Department of Conservation and Economic Development indicate that as of July 1, 1967, Middlesex County had

a population which was 20.0 per cent in excess of the ideal for a district (one-fifteenth of the total state population). Even under the 1960 census figures, Middlesex County had a larger population than any of the present congressional districts in New Jersey.

The litigation and confusion likely to result from this bill completely overshadow any temporary feeling of satisfaction that the citizens of Middlesex County might gain from its enactment. This bill clearly illustrates the difficulties inherent in piecemeal redistricting. The objections to piecemeal redistricting which I previously expressed in connection with Senate Bill No. 330 apply with even greater force to this measure.

I ask this Legislature to consider whether this bill is worth its cost in confusion and chaos. I believe it is time to call a halt to this petty tinkering with district lines and to turn our attention back to the real problems confronting our State.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 27, 1968.

ASSEMBLY BILL NO. 70

To the General Assembly:

I herewith return Assembly Bill No. 70, without my approval, for the following reasons:

This bill authorizes the Director of the Division of Budget and Accounting in the Department of Treasury, with the approval of the President of the Senate and the Speaker of the General Assembly, to contract with a recognized management consulting firm for an annual study of the salary and other benefits and work productivity of State employees, and to prepare a comparison thereof with comparable

private employment. The bill appropriates $100,000 to cover the cost of the initial study.

The study which would be authorized by Assembly Bill No. 70 is clearly duplicative of the on-going activities of the Division of Research and Planning within the Department of Civil Service and of the work of the Commission to Study Efficiency and Economy in State Government. The Division of Research and Planning, operating on a considerably smaller annual budget than $100,000, continually reviews and analyzes the performance and salary and fringe benefits of State employees, and compares the same with public employees in other states and with private industry. The Commission to Study Efficiency and Economy in State Government has recently completed an extensive review of the procedures followed and structure of the Department of Banking and Insurance. It has made significant recommendations for improvements in that Department. If $100,000 is to be spent, I believe that it can more profitably be used to finance the on-going activities of the Commission.

When I have recently been informed by the legislative leaders that there are insufficient funds to finance a number of programs designed to alleviate the illness of our urban centers, I am constrained to withhold my approval from any measure, such as Assembly Bill No. 70, which is so obviously wasteful. To expend $100,000 this year, and perhaps as much each succeeding year, for the purpose of studying that which is already being studied, when that same amount could be used to provide summer employment for 200 needy youngsters, or to pay one-third of the cost of a vital police cadet program, or to finance substantially all of the cost of a neighborhood health center, seems to me to be a gross distortion of priorities in this time of crisis. Finally, it should be apparent to all that the enactment of Assembly Bill No. 70 would hurt rather than help our State employees, for it is certain that any additional benefits recommended by the Department of Civil Service will be delayed pending the completion of the new survey which Assembly Bill No. 70 would authorize.

For these reasons, I am returning this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
May 27, 1968.

ASSEMBLY BILL No. 265

To the General Assembly:

I herewith return Assembly Bill No. 265, without my approval, for the following reasons:

This bill would require the Director of the Division of Motor Vehicles to issue specially designed registration plates to holders of amateur radio licenses. Each "ham" radio operator in the State would be entitled, upon payment of an extra fee of $10.00, to receive plates bearing his distinctive radio call letters. These call letters ordinarily consist of one or two letters followed by one number and two or three additional letters. These call letters do not fall within the existing series of New Jersey plates and do not follow any consecutive pattern of their own. Incalculable costs and difficulties would result from the disruption of the present central record system of the Division of Motor Vehicles, which is geared to a registration plate designation of three letters followed by from one to three numbers.

The State Auditor has recommended that the present categories of license plates be consolidated in order to improve further the efficiency of the present processing system. I agree that we ought to move in this direction toward even greater efficiency, rather than create a new category, especially when this new category will not even consist of a sequential series. Furthermore, approval of this bill would invite efforts by other worthy groups to secure the issuance of special plates, thus contributing to additional weakening of our present system.

A two-year study conducted by the College of Engineering of the University of Illinois concluded that the best system of license plate identification would include no more than six characters and that if letters and numbers were used, letters should be grouped together at the beginning or end of the series. New Jersey follows this recommended pattern. The report also recommended that special plates with amateur radio station call letters be discontinued because they are "non-uniform and confusing."

Bills similar to the present measure were vetoed by Governor Meyner in 1955 and by me in 1964. The reasons for those vetoes remain valid today.

It is argued that New Jersey should adopt special plates for "ham" radio operators because other states provide such call-letter plates. Most other states, however, do not have New Jersey's unform registration plate format with its advantages of swift and accurate identification of motor vehicles. Furthermore, most of our sister states issue plates once each year and close out ther records at the end of each year, while our New Jersey system entails the expiration of one-twelfth of all outstanding registrations during each calendar month. This staggered system provides greater efficiency, but means that the records of the Division of Motor Vehicles are in a constant state of flux and must be continuously updated. The provision of special plates, outside of any sequential series, to a small number of persons would seriously impede this procedure.

At a time when New Jersey, beset by both fiscal and moral crises, is striving to attain the greatest possible efficiency in governmental operations and to improve law enforcement and highway safety, it is regrettable that the Legislature proposes a step which would reduce efficiency and hamper law enforcement and highway safety efforts.

I especially regret the insistence by the Legislature in presenting this bill to me immediately, instead of following the customary courtesy of holding the bill until I have had ample time to review its provisions. In this case, I would have appreciated the opportunity to explore some possible compromise which would have recognized the outstanding public services performed by "ham" radio operators but which would not have produced the disruptive effects which would result under this bill. It is apparent, however, that some legislators preferred to force the veto they knew would inevitably be required, rather than to seek any accommodation.

As I suggested in my 1964 veto message of a similar bill, one means of providing the identification which "ham" operators seek, while avoiding disruption of our regular licensing system, might be to provide for smaller plates to be attached along the top of regular registration plates. As I said in 1964, I would be sympathetic to any proposal which would accommodate the desire of amateur radio operators for distinctive insignia provided this does not intrude

upon the overriding public interest in maintaining an accurate and efficient motor vehicle registration system. To protect that public interest, however, I must return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 10, 1968.

ASSEMBLY BILL No. 287

To the General Assembly:

I herewith return Assembly Bill No. 287, without my approval, for the following reasons:

The sole effect of this bill would be the repeal of chapter 84 of the Laws of 1967. I must discard the argumentative contents of the statement attached to this simple repealer bill. As a matter of fact, more than a year ago I was privileged to approve chapter 84 of the Laws of 1967, which was originally introduced in the Legislature as Assembly Bill No. 896 of that legislative year. My decision to approve that bill was predicated upon my hopeful assessment of its potential, through the vehicle of the Delaware River Port Authority, for achieving a goal shared by the members of both political parties represented in the Legislature—the development of comprehensive port facilities in Camden, New Jersey and Chester, Pennsylvania.

My approval of Assembly Bill No. 896 a year ago provided a legislative basis for a feasible program for the development of badly-needed port facilities along the Delaware River. It was the product of extensive consultations with many persons and organizations—port development experts, shipping concerns, mayors of affected municipalities, investment bankers, representatives of the Commonwealth of Pennsylvania and the Commissioners of the Delaware River Port Authority and the South Jersey Port

Commission. Indeed, one of the co-sponsors of Assembly Bill No. 896 was the then Assistant Minority Leader, who, strangely enough, just one year later, as Assistant Majority Leader, is also co-sponsor of this bill, designed to halt chapter 84's approach to port development.

As is usually the case with all major public issues, my decision a year ago to approve Assembly Bill No. 896 of 1967 as chapter 84 of the Laws of 1967 represented the adoption of but one of several alternative possible approaches to port development along the Delaware River. I fully recognize now, as I did then, that no one of the alternative programs for port development has an absolute claim upon sure success. I do not have a closed mind to a program differing in fundamental thrust from chapter 84 of the Laws of 1967, so long as it contains reasonable assurance that the long-awaited port development along the Delaware River on the New Jersey side will occur, taking into consideration the relationship of that port development to the general welfare of the State of New Jersey. Thus I might well be willing—if presented with a reasonable, workable alternative to the approach reflected in chapter 84 of the Laws of 1967—to approve its repeal as a part of the adoption of such new development plan. The public interest will rarely suffer if responsible decision-makers are presented an opportunity—such as I enjoyed last year when I approved chapter 84—to choose between solid alternatives.

Unfortunately, however, the action of the Legislature in presenting me with Assembly Bill No. 287 has denied me—and indeed the people of this State—that opportunity. As it stands now, the Legislature has not placed before me any constructive alternative to the program represented by chapter 84. A repealer of chapter 84, therefore, would leave the State completely unequipped to embark upon Delaware River port development *of any kind*. I have urged port development for many years and I believe that the people and the business community of Southern New Jersey are solidly impressed with the need for such port development. As stated, the repealer of chapter 84 of the Laws of 1967 with no alternative passed through the Legislature and available for my approval, would leave this State in a position where port development in the Camden County area might *never* occur.

Consequently, until such time as I am presented with a sound alternative to chapter 84 of the Laws of 1967, there

would seem to be no reason whatsoever to approve its repeal. I must, therefore, consider Assembly Bill No. 287 as an instrument which, instead of encouraging port development or making it possible, might well surrender for future generations any prospect of port development in the Camden area.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 3, 1968.

ASSEMBLY BILL No. 256

To the General Assembly:

I herewith return Assembly Bill No. 256, without my approval, for the following reasons:

This bill would amend Section 2A:8–9 of the New Jersey Statutes for the purpose of granting to the judges of the various municipal courts of this State the right to accept fees or gratuities in connection with their services in solemnizing marriages. Inasmuch as this measure would give official sanction to a practice which is of questionable propriety and which is contrary to the announced policy of the Supreme Court of New Jersey, I must withhold my approval therefrom.

The express statutory law of this State has for the past twenty years restricted the compensation of municipal judges to the annual salaries fixed by municipal governing bodies. This restriction was but one example of a broad-scale legislative trend to eliminate the potentiality for abuse inherent in a system of compensation for public officials—particularly members of the judiciary—predicated upon fees collected for the discharge of their official duties. Retrenchment from this movement, however slight, runs counter to contemporary understanding of the most sound principles of judicial administration and compensation. En-

actment of Assembly Bill No. 256 at a time when New Jersey is striving to maintain its reputation for pre-eminence in the administration of its judiciary would be regrettable.

Just three years ago the Supreme Court of New Jersey had occasion to state its policy on the practice that would be permitted by Assembly Bill No. 256. The following language appeared on page 2 of Municipal Court Bulletin Letter #115, September, 1965, sent to all municipal judges by the Administrative Director of the Courts:

> "The Supreme Court has requested me to advise all magistrates and judges that it considers it to be highly improper for them to accept a fee or gratuity for performing a marriage ceremony. The Supreme Court also is of the view that court clerks and other court employees may not accept a fee or gratuity in connection therewith."

This firm view of the Supreme Court was reaffirmed by a similar memorandum from the Administrative Director of the Courts to the chairmen of the County Magistrates' Associations in November, 1965. I have recently been advised that the Chief Justice of the Supreme Court does not contemplate any change or shift in the announced policy of the Supreme Court on this issue.

There can be no doubt whatsoever that all three co-equal branches of State government—Executive, Legislative and Judicial—share the responsibility of protecting the overriding public interest in honest and efficient administration of our courts. With respect to Assembly Bill No. 256, however, I believe that the public interest will be served best by Executive and Legislative deference to the judgment of the Judiciary. I am constrained to give even greater weight to the judgment of the Supreme Court, when, as with this bill, the Legislature—in another break with custom and courtesy—presents me with a bill for my approval and thus denies me ample time to explore alternative courses of action. For these reasons, then, I must return Assembly Bill No. 256 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ LAWRENCE BILDER,
Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 14, 1969.

ASSEMBLY BILL No. 905

To the General Assembly:

I am returning Assembly Bill No. 905 herewith, without my approval, for the following reasons:

Assembly Bill No. 905 would direct the State Department of Transportation to undertake a study of local and state roads in Warren and Sussex Counties to determine what effect the Tocks Island Dam project will have upon traffic in that area of the State. This bill was introduced on June 17, 1968, and passed on November 25, 1968. It requires the Department to report its findings and recommendations to the Legislature on or before December 31, 1968.

The Department of Transportation has anticipated the problem outlined in this bill and initiated early in 1968 a study as to the impact of the Tocks Island Dam project on the highway system of the area. The preliminary phase of this study has been substantially completed and the Department will be reviewing its findings with local officials early in 1969.

In addition, the Department's Master Plan establishes some of the immediate needs for highway improvements in that area and the Department has requested funds in Senate Bill No. 965 to commence work on these projects. For example, planning funds are requested for a portion of Route 15 Freeway in Sussex County, the Route 31 Freeway extension in Warren County, as well as the Foothills Freeway which would generally parallel the Delaware River from Interstate 80 north to the New York State line.

It would appear, therefore, that the objectives expressed in this legislation are being carried out by the Department. For this reason and in light of the restrictive report date of the legislation, I am constrained to return Assembly Bill No. 905 herewith, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 14, 1969.

ASSEMBLY BILL No. 358

To the General Assembly:

I am returning Assembly Bill No. 358 herewith, without my approval, for the following reasons:

Assembly Bill No. 358 requires the Commissioner of Transportation, as soon as practical, to "provide for an improvement in the State highway system consisting of a grade separation at the intersection of Route U. S. 1 and Route 130 in Middlesex County." The Statement attached to the bill indicates that the purpose of the bill is "to eliminate the traffic hazard at the intersection of Route 1 and Route 130 created by the traffic circle at this location."

The need to replace the traffic circle has been recognized by the Department of Transportation. The Department's Master Plan sets forth this project as a first priority item. In addition, funds to acquire critical right of way have been requested by the Department from the State Transportation fund in Senate Bill No. 965. The Department informs me that it has notified one of the major land owners, adjacent to the circle, of its intention to acquire such property for this project, but that it has had to delay actual acquisition awaiting passage of Senate Bill No. 965.

There is no question that the Department of Transportation has the legal authority to proceed with this project without the benefit of the provisions of Assembly Bill No. 358. Approval of this legislation, therefore, could only serve to cast doubt upon the Department's ability to proceed with critical highway improvements of this type in the absence of specific legislation. Such a result is undesirable and I am sure not intended by the sponsors of this bill.

While the Department does not need legislative authorization to pursue this project, it does require the funds which will permit it to move forward promptly. I would hope, therefore, that the General Assembly will give its prompt attention to Senate Bill No. 965 which will enable the

Department to carry out the stated purpose for Assembly Bill No. 358.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 14, 1969.

SENATE BILL NO. 892

To the Senate:

Pursuant to Article V, Section I, paragraph 15 of the Constitution, I appended to Senate Bill No. 892, at the time of signing it, a statement of certain items, or parts thereof, to which I objected, so that such items, or parts thereof, should not take effect.

"230-100. DIVISION OF PURCHASE AND PROPERTY

"John McShain, Inc., Stewart Iron Works, Inc., and Charles Shaid of New Jersey, Inc., c/o Albert M. Stark, Stark and Stark, Trenton, New Jersey, for losses incurred in the construction of the Youth Reception and Correction Center, Yardville, New Jersey:

John McShain, Inc.	$922,212.12
Stewart Iron Works, Inc.	112,718.19
Charles Shaid of New Jersey, Inc.	23,863.03
	$1,058,793.34"

This item is deleted in its entirety.

On page 2-3:

"612-100. CONSTRUCTION OF STATE HIGHWAY SYSTEM

"Brookfield Construction Company, 521 Fifth Avenue, New York, New York, c/o Thomas C. Mitchell, 11 Patton Drive, East Brunswick, New Jersey, for losses incurred in the construction of Route 80, Section 5-S, Bergen County, New Jersey, to be paid from funds ap-

propriated for the construction of State highway system, $207,760.45."

"State Paving and Construction Company, c/o J. Charles Popkin, Esquire, Broad Street Bank Building, Trenton, New Jersey, for Rickert Nurseries, Landscape Division, c/o George H. Borlinger, Esquire, 28 West State Street, Trenton, New Jersey, for losses incurred by Rickert Nurseries, Landscape Division in Landscaping Route No. 29 (Freeway), Trenton, New Jersey, to be paid from funds appropriated for the construction of State highway system, $13,495.19."

These items are deleted in their entirety.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 185

To the Senate:

I herewith return Senate Bill No. 185, without my approval, for the following reasons:

This bill would exempt properly identified members of the New Jersey National Guard from the payment of tolls on any toll road bridge or ferry within the State which they use while going to, or returning from, any required parade, encampment, drill, meeting or active duty for training.

For the reasons expressed in my veto message regarding Assembly Bill No. 400, I herewith return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 355

To the Senate:

I herewith return Senate Bill No. 355, without my approval, for the following reasons:

This bill is similar to, and represents no substantial improvement over, Assembly Bill No. 142 of 1965, which I filed in the State Library without my approval. An accompanying statement explained my objections to that bill. Both that bill and the present bill are intended to authorize a municipality to prohibit parking on all streets in the municipality during a snowfall merely by posting signs at "the entrances and exits of the municipality."

This bill is objectionable because it does not provide for adequate notice to motorists of the special no-parking prohibition it authorizes, and because it fails to provide municipalities with any option to apply such a prohibition to some, but not all, of the streets within its borders.

Elementary concepts of fairness require that reasonable steps be taken to inform motorists of parking prohibitions on streets where they would otherwise expect to be able to park. Merely posting signs "at the entrances and exits of the municipality" is not adequate in these circumstances to provide effective notice.

Municipal restrictions on parking during a snowstorm may be necessary in order to facilitate snow-plowing and removal. But municipalities ought to be permitted greater flexibility than is provided by this bill. It may be more practical for some municipalities to establish such restrictions only on some streets, or only when the snowfall reaches a significant depth. For instance, the Teaneck ordinance involved in the case which first prompted the seeking of state legislation was applicable only when at least three inches of snow had accumulated on the streets.

While some state legislation on this subject may be desirable, I am convinced that the effect of this bill would be more harmful than beneficial. This bill would be unfair to

motorists and impractical and unenforceable from the standpoint of the municipalities.

I therefore return Senate Bill No. 355 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 405

To the Senate:

I herewith return Senate Bill No. 405, without my approval, for the following reasons:

This bill would permit public employees who are receiving disability pension benefits because they were injured or disabled in the course of their employment to apply for and receive workmen's compensation benefits for the same injuries or disabilities.

Under present law, such a duplication of benefits is not possible and quite frequently a person will waive application for workmen's compensation benefits in order to qualify for the usually larger disability retirement benefits.

In determining disability retirement benefits, the pension systems of this State take into consideration compensation for injuries and disabilities. It is for this reason that these benefits are generally higher than those provided to persons who qualify for a service retirement pension based on longevity. To enable a person to qualify for a disability pension benefit, as well as a workmen's compensation benefit, would be a windfall. In fact, I have been informed that it is possible that some persons, if they were to receive both benefits, would receive an income exceeding their wages while working.

The resulting financial burden on all public employers from the application of this bill would be substantial. Based

on the number of persons who retired last year and who are receiving disability benefits from the larger public pension systems in the State, it is estimated that the financial impact of this bill would be approximately $1.8 million the first year, of which about $900,000 would be borne by the State. This cost would double the following year, and would continue to grow substantially every year thereafter.

For the above reasons, I feel constrained to return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 493

To the Senate:

I herewith return Senate Bill No. 493, without my approval, for the following reasons:

This bill would amend the law to limit the types of projects which may be undertaken by the New Jersey Highway Authority. It is common knowledge that the proponents of this bill have indicated strong objections to the construction of a cultural center in North Jersey by this Authority. This bill would, in effect, limit the Authority to projects which are directly related to the use of highway facilities and divest it of its current responsibility for operating the cultural center.

I need not make a decision as to the propriety of the Authority's action in the construction of a cultural center, since I am constrained to return this measure because it is defective.

In creating the Authority, the State made the following statutory pledge to bondholders:

"The State of New Jersey does pledge to and agree with the holders of the bonds or notes issued pursuant to authority contained in this act, that the State *will not limit or restrict the rights hereby vested in the Authority to maintain, acquire, construct, reconstruct and operate any project as defined in this act* or to establish and collect such tolls or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of bonds or notes authorized by this act or in any way impair the rights or remedies of the holders of such bonds or notes until the bonds and notes, together with interest thereon, are fully paid and discharged. L. 1952, c. 16, p. 82, § 11." (Emphasis Added)

Since there are outstanding bonds, the limitation on authorized projects provided by Senate Bill No. 493 would be in violation of this specific covenant of the State with the bondholders, and well might be unconstitutional.

For these reasons I am returning herewith Senate Bill No. 493.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 577

To the Senate:

I herewith return Senate Bill No. 577, without my approval, for the following reasons:

Senate Bill No. 577 would effectively strip the Department of Health of authority to require the construction of regional facilites for the treatment of sewage. It was early recognized by those who observed the declining purity of the waters of New Jersey that adherence to arbitrary and

irrelevant political boundaries in the fixing of jurisdiction to treat domestic and industrial wastes was inefficient and short-sighted, and, in fact, a factor contributing to continued pollution.

In 1965 the Legislature clearly enunciated a public policy which reflected the unanimous knowledge and experience of water conservationists.

> "It is hereby declared to be the public policy of the State of New Jersey to encourage and support, as hereinafter provided, the promotion, planning, developing and construction of public sanitary sewerage facilities, including sewage collection, transmission, treatment and disposal works on a regional or multi-unit basis." N. J. S. 26:2E–1, P. L. 1965, c. 121, State Public Sanitation Sewage Assistance Act of 1965.

Senate Bill No. 577, in reversing this policy, is the instrument of those who would cling to an outmoded response to today's community needs. The small treatment plants adequate decades ago no longer suffice to prevent the pollution and consequent destruction of our waterways; their unregulated proliferation will contribute heavily to our future inability to restore them.

The dangers inherent in this rejection of regional effort have stimulated the concern of the federal officials whose responsibility it is to assure equitable and effective distribution of federal anti-water pollution funds. The federal government, as well as the government of this State, recognizes the vital necessity of continued emphasis on regionalization. Correspondence prompted by the passage of this bill expresses the sincere dismay of the federal government, at the legislative thrust to weaken rather than advance the battle against pollution.

The Department of Health has encouraged regionalization and multi-community action not merely by refusing permission to create and operate non-regional facilites but also by contributing substantial funds to the development of engineering studies of the feasibility of multi-unit facilities. There is now available a workable state-wide plan designating those areas in which regionalization is both economically feasible and technically most efficient. Approval of Senate Bill No. 577 would render that plan and the real hope it provides for the availability of pure water in this State a futile gesture. Pursuant to existing law the Depart-

ment of Health when presented with an application for sewage facilities feasible in all other respects, may nevertheless, disapprove such application on the sole grounds that the facility does not comply with a regional program. There is sufficient flexibility in the law to permit the selective construction of non-regional interim treatment facilities to prevent the inhibition of residential and commercial development apparently feared by the sponsors of this legislation.

For the above reasons, I must withhold approval of this type of legislation.

I therefore return Senate Bill No. 577 without such approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 687

To the Senate:

I herewith return Senate Bill No. 687, without my approval, for the following reasons:

This bill provides that a qualified voter who is unable to go to the polls because of admission to a hospital as an emergency patient may apply for a civilian absentee ballot at any time within three days prior to the election.

Senate Bill No. 687 is no longer necessary. I recently signed into law Assembly Bill No. 276 which establishes a procedure for voting by hospital patients which is far more practical than that suggested by the instant measure. Under the provisions of Assembly Bill No. 276, each county election board will appoint special hospital election boards whose members will go into each hospital within the county to determine the voting eligibility of persons confined therein and who will supply eligible voters with an absentee ballot.

This appears to be a more workable method to assure the right of vote to persons confined in hospitals than an act authorizing the filing of an application for an absentee ballot within three days of an election when it would be virtually impossible to complete the absentee ballot process within that three day period.

Lastly, Senate Bill No. 687 would amend the same section of law which was recently amended by Chapter 238 of the Laws of 1968. I could not approve this measure without repealing a portion of that law.

For these reasons, I am returning Senate Bill No. 687 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 729

To the Senate:

I herewith return Senate Bill No. 729, without my approval, for the following reasons:

This bill would prohibit, and punish as a high misdemeanor, certain criminal offenses commonly known as loan sharking. However, an essential element of the offense so prescribed would be a showing that interest at a rate exceeding 50 per cent per annum had been charged. After consultation with numerous law enforcement officials, I must conclude that proof beyond a reasonable doubt of that essential element of the crime would be virtually impossible. Senate Bill No. 729 would serve to protect rather than punish loan sharks.

Common experience tells us that loan sharking is not some polite form of commercial transaction where neat records of interest charges are kept which may be subpoenaed by

the prosecutor and introduced into evidence. We are not dealing with the occasional businessman who would engage in sharp practices to overreach his customers—an activity reasonably deterred by Senate Bill No. 759 which I have signed into law as chapter 256 of the Laws of 1968. Rather, we seek to root out a brutal racket where records are kept in the heads of gangsters and the method of collection is the threatening phone call, the midnight visit and the brutal beating. If we are serious about eliminating the evil practice of loan sharking then we should look at and punish the actual and provable activities of those who engage in that heinous crime. Senate Bill No. 754, which I have signed into law as chapter 83 of the Laws of 1968 does exactly that and in fact provides for more severe penalties than those which would be imposed by Senate Bill No. 729.

Finally, we should consider the potentially disastrous effects upon the administration of justice which could be produced if Senate Bill No. 729 were to become law and in the trial of a person indicated thereunder proof disclosed that only 49 per cent interest had been charged. The law then would appear to license a terrible crime.

For these reasons, I herewith return Senate Bill No. 729 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 744

To the Senate:

I herewith return Senate Bill No. 744, without my approval, for the following reasons:

Senate Bill No. 744 would relinquish the interest of the State of New Jersey in a portion of lands subject to a tax lien arising out of an obligation under the Alcoholic Bever-

age Tax Law. Ostensibly, the Legislature would, by this measure, permit a judgment debtor, the owner of substantial real property, to deed lands subject to a State lien to enable such lands conveyed away to be increased substantially in value, and to dissolve the State's lien upon payment of the value of such parcel prior to its improvement. In effect, this private bill seeks to remit, at least in part, a tax obligation owed the State.

The Constitution, Article IV, Section 7, paragraph 9, specifically prohibits the adoption of "any private, special or local laws . . . relating to taxation or exemption therefrom". While by its terms this bill neither grants an exemption from taxation, nor does it relate explicitly to taxation, it is clearly in violation of the constitutional prohibition.

Sympathetic though I may be with the circumstances of the family in whose interest this bill is offered, I cannot countenance a proposal which could well establish a precedent inviting less than honorable schemes to avoid payment of our tax obligations. Though the taxpayer would pay $500 in consideration of the release of the lien against the conveyed parcel, that parcel is currently of far greater value, having been enhanced by the improvements of the taxpayer's son. The remaining portions of the tract against which the lien was filed and the improvements thereon are of insufficient value to satisfy the current obligation. This bill, insofar as it constitutes a relinquishment of an interest owned by the people of this State for less than full value, cannot be considered responsible legislation.

I therefore return Senate Bill No. 744 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 216

To the General Assembly:

I herewith return Assembly Bill No. 216, without my approval, for the following reasons:

This bill would, for all practical purposes, destroy the "point system", which has proved to be an effective method for controlling drivers who repeatedly violate the traffic laws. The bill would create a new type of special driver's license for use "during the course of the holder's employment and in going to and returning therefrom" by drivers who had accumulated the present limit of 12 points, but have not yet reached 18 points, during a three-year period.

A driver whose record of moving traffic violations indicates he is an unsafe driver is no less of a menace merely because he is driving "during the course of [his] employment." In fact, if such a driver is at the wheel of a tractor-trailer, he will be an even greater menace. We can hardly afford to exempt all truck drivers from the full effect of traffic safety regulations.

The argument is made that those who drive for their livelihood face much greater exposure to possible apprehension for traffic violations than do drivers who cover fewer miles during a comparable period. This is true. But it is also true that highway safety requires that those drivers who do the most driving must be safe drivers. Their greater experience and competence should help those who drive for their livelihood to overcome much of the disadvantage that results from doing more driving than the average motorist. In any event, this bill makes no attempt to correlate point limits to mileage covered. It merely exempts driving during the course of employment from the effect of the present point limit.

We should remember that the present point system requires two very serious violations before the 12-point limit is reached. Leaving the scene of an accident counts for 8 points; and reckless driving, racing on a highway, or speed-

ing more than 20 miles per hour over the legal limit in an area with a speed limit of less than 60 miles per hour each count for 6 points. Other speeding convictions are 4 points. Passing unsafely, passing a stopped school bus, or tailgating count 5 points. Other moving violations are 3 points. The effect of this bill would be to allow drivers to continue on the road who average a reckless driving conviction every 18 months, or a speeding conviction every 9 months. Such a permissive limitation makes the system meaningless.

The State of Connecticut has significantly reduced its highway death rate by requiring automatic license suspension for any driver speeding more than 10 miles per hour over the speed limit. New Jersey is far more lenient than that—perhaps too lenient. We certainly cannot justify reducing our present standards.

To the extent that any serious hardship is presented by the present point system regulation, that hardship is mitigated by the fact that each driver reaching the 12-point limit is granted the option of attending a driver improvement course rather than facing possible license suspension. Each driver who reaches the limit is also entitled to a hearing before the Division of Motor Vehicles prior to imposition of the suspension.

Of the 12,249 drivers whose licenses were suspended under the point system during 1967, more than half—6,563—failed to avail themselves of the opportunities to take the course or to request a hearing. Another 4,086 of the suspensions last year were of persistent violators who had previously reached the 12-point limit and thereafter committed still another traffic violation.

A total of 21,473 cases were completed under the point system regulation in 1967. That the system does not operate with unreasonable rigidity is evidenced by the fact that in 43 per cent of those cases, the driver avoided suspension of his license—either by successfully completing the driver improvement course, or because the nature or frequency of the offenses on his record indicated that a warning, rather than suspension, would be appropriate.

In considering the supposed hardships resulting from operation of the point system, it should also be remembered that each driver receives a warning notice whenever his point accumulation reaches a stage where one more offense would put him over the limit.

Thus far we have discussed the merits of what this bill purports to do. Actually, its effects would be even more pernicious, because of consequences that presumably are not intended.

The wording "any driver who must, as a condition of continued employment, operate a motor vehicle in the course of his employment", is sufficiently vague so that almost any driver could seek to qualify by asking his employer to assert that his continued employment is conditioned upon his being able to drive a motor vehicle at least occasionally. Stringent administration of this provision would be an impossibility.

Equally impossible would be any degree of effective enforcement of the supposed limitations on the use of the special license authorized under this bill. Police could not reasonably be expected to investigate and determine whether every driver with such a special license was actually driving only in the course of his employment or on the way to or from work. Such an investigation could be anticipated only if the driver were involved in an accident or serious traffic violation—and then the damage would probably already have been done. The temptation for abuse of such a special license would be very great and the difficulties of enforcement nearly insurmountable.

The bill, if it were to be given effect, would have to be construed as incorporating into statute the terms of the present administrative regulation governing the point system. If the Director of the Division of Motor Vehicles retained authority to alter the point values assigned to various offenses, then this bill could be negated merely by administrative regulation. To modify or reform the point system through legislation would require a much more thorough and carefully-drafted bill than this one.

The ultimate consequence of this bill, because of its many unworkable or unenforceable features, would be to destroy any "point system" at all. The Point System Regulation would have to be rescinded. The Director of Motor Vehicles would retain authority under N.J.S.A. 39:5–30 to suspend licenses for any *single* offense, but any systematic method of weighting the seriousness of various types of offenses would run afoul of the unworkable limitations of this bill. The result would necessarily have to be the disregarding of persistent patterns of traffic violations on the one hand, with more drastic action being taken on the basis of individual

offenses on the other hand. Such a system would be both less effective and less fair.

The "point system" has provided a reasonable system for warning, re-training, and—when necessary—removing from the roads those drivers who repeatedly violate traffic laws. We ought to be strengthening, not weakening, our regulation of such unsafe drivers.

The tragic toll of deaths and injuries from traffic accidents in this nation since the arrival of the Automobile Age has already exceeded all the casualties this country has suffered in all the wars in its history. We cannot allow this needless slaughter and maiming on our highways to continued unabated. We must utilize every method to improve traffic safety. Since driver violations of law are the single greatest contributing factor to traffic accidents, the "point system" is one of the methods we must continue to use to try to control this terrible carnage.

Enactment of this bill to undermine the "point system" would not merely be a mistake; it would be morally indefensible. This Legislature may be willing to gamble with the lives of untold numbers of our citizens. I am not.

I therefore return Assembly Bill No. 216 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 278

To the General Assembly:

I herewith return Assembly Bill No. 278, without my approval, for the following reasons:

This bill purports to provide discretionary power for the suspension of driving privileges of any person convicted

of a violation of the Uniform Narcotic Drug Law (R. S. 24:18–1 *et seq.*) or of Chapter 121 of the Laws of 1952. Since existing statutes already adequately cover this subject and require automatic suspension for at least one year of the driving privileges of any person convicted of using or being under the influence of any narcotic drug, the only effect this bill could have would be the implied repeal of the existing requirement of automatic suspension. N. J. S. A. 2A:170–8 provides as follows:

> "Any person who uses or who is under the influence of any narcotic drug, as defined in article 1 of chapter 18 of Title 24 of the Revised Statutes (Food and Drugs), the uniform narcotic drug law, for a purpose other than the treatment of sickness or injury as prescribed or administered by a person duly authorized by law to treat sick and injured beings, is a disorderly person.
>
> "In a prosecution under this chapter, it shall not be necessary for the State to prove that the accused did use or was under the influence of any specific narcotic drug or drugs, but it shall be sufficient for a conviction under this chapter for the State to prove that the accused did use or was under the influence of some narcotic drug or drugs as defined in article 1 of chapter 18 of Title 24 of the Revised Statutes (Food and Drugs) by proving that the accused did manifest physical and physiological symptoms or reactions caused by the use of any narcotic drug.
>
> "In addition to the general penalty prescribed for disorderly conduct pursuant to section 2A:169–4 of this Title, *every person adjudged a disorderly person for a violation of this section shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period of 1 year from the date of his conviction and until such privilege shall be restored to him by the Director of Motor Vehicles upon application to and after hearing and determination by, the director that such person is no longer a user of drugs within the meaning of this section.*
>
> "The court before whom any person is convicted of a violation of this section shall cause a report of such conviction to be filed with the Director of Motor Vehicles." (Emphasis added.)

It should also be noted that the Director of Motor Vehicles already has discretionary authority to act under the circumstances described in this bill by virtue of the "reasonable grounds" provision of N. J. S. A. 39:5–30.

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

[SEAL]

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 400

To the General Assembly:

I herewith return Assembly Bill No. 400, without my approval, for the following reasons:

This bill would exempt properly identified members of a reserve component of the Armed Forces of the United States from payment of tolls on any toll road, bridge or ferry within the State which they use while going to, or returning from, any required parade, encampment, drill, meeting or active duty for training.

Although I sympathize with the desire of the proponents of this measure to offer this benefit to members of the reserves who often have to travel a substantial distance, many times at their own expense, to participate in training or other official functions, I cannot approve of this measure.

In the enabling statutes creating both the New Jersey Turnpike Authority and the New Jersey Highway Authority, the State specifically pledged to the bondholders that it would not limit or restrict the rights of these Authorities to collect tolls or other charges or to take any action which would prevent these Authorities from fulfilling their agreement with their respective bondholders until the bonds were discharged.

Both of these authorities currently have outstanding bonds which contain specific covenants regarding and limiting free passage. I have been informed by the appropriate official and counsel of each Authority that this bill would violate their current covenants with bondholders. Additionally, it is likely that other authorities or commissions of this State or political subdivisions thereof, which are authorized to operate toll facilities, may also have outstanding bonds containing similar covenants. Therefore, enactment of this legislation would be an unconstitutional impairment of the existing contract between these authorities and their bondholders as well as a violation in certain cases of the specific statutory pledge of the State to these bondholders.

I therefore return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL NO. 436

To the General Assembly:

I herewith return Assembly Bill No. 436 without my approval for the following reasons:

This bill would remove from the special provisions of the Farm Land Assessment Act of 1964, lands owned by public agencies of this State, which are used for public water supply purposes. This measure is frankly designed to determine a dispute concerning the taxability of a tract of land located in the City of Livingston, and owned by the City of East Orange. At the time this measure was introduced, this dispute was pending before the Superior Court, Law Division, Essex County. Since that time, judgment has been rendered, the Court holding that the tract in

question was not entitled to Farm Land Assessment treatment. There is current indication the issue will be taken to the Appellate Court.

In view of the pendency of this litigation and of the respect to be accorded the prerogative of the several branches of our coordinate government, the approval of Assembly Bill No. 436 at this time would be highly inappropriate.

Accordingly, I return this bill to the Legislature without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 560

To the General Assembly:

I herewith return Assembly Bill No. 560, without my approval, for the following reasons:

Along with Assembly Bill No. 216, this bill would help to sabotage New Jersey's efforts to reduce the terrible carnage on our highways. This measure would require that the Division of Motor Vehicles conduct a hearing before assessing points against a driver of a commercial vehicle for motor vehicle violations occurring outside of the State.

Under the present point system regulation, any driver is already provided an opportunity for a hearing before being subjected to the possibility of license suspension or a requirement of attending driver improvement school because of an accumulation of too many points. The intent of this bill apparently is to require, for the purposes of the point system, a re-trial before the New Jersey Division of Motor Vehicles after each out-of-state conviction of a New

Jersey driver of a commercial vehicle. No practical purpose can be served by such a procedure because the Division could not possibly even attempt to make an independent determination of facts in cases occurring outside the State (often hundreds of miles away). As a matter of practicality, as well as reciprocity, the courts of our sister States must be recognized as the proper forums for adjudicating charges arising out of events occurring within their jurisdictions. The witnesses cannot be transported from the place of the event back to New Jersey for the purpose of a "new trial" before the New Jersey Division of Motor Vehicles.

I recognize, of course, that the support for such a re-trial in the home state arises largely from the tendency of drivers to forfeit bond on traffic charges rather than undergo the inconvenience of appearing for trial. However, the solution lies in efforts to provide the facilities for prompt trial of traffic cases wherever they occur—not in seeking a separate hearing for the driver after he returns home. Since this bill applies only to the drivers of commercial vehicles, the drivers who seek to benefit from this bill ought to be well aware of the possible consequences to their driving privileges if they fail to contest traffic charges against them. To appear for trial may be inconvenient, but professional drivers cannot reasonably claim to be ignorant of the possible consequences of their failure to do so.

The appropriate time for a hearing to be provided to a driver under the point system is when he becomes subject to possible license suspension. At that time, his overall record can be reviewed to see whether it indicates a pattern of unsafe driving. This is the procedure now followed. Consideration is given to the seriousness of offenses and to their frequency. Every driver is provided with an opportunity for such a hearing before his license may be suspended under the point system. (The only automatic suspensions are for persistent violators who had previously exceeded the limit of points, who had an opportunity at that time for a hearing on their records, and who thereafter were convicted of an additional violation.)

The chaos this bill would create is indicated by the fact that more than 40,000 traffic convictions of New Jersey drivers in other States are reported by those States to the New Jersey Division of Motor Vehicles each year. This information is recorded through the Division's data process-

ing equipment. The reports from other States do not necessarily indicate whether the vehicle being driven by the New Jersey driver would come within the definition of "a commercial vehicle" under New Jersey law. Since New Jersey does not require a special classification of driving license for truck drivers, there is no automatic method available for weeding "drivers of commercial vehicles" (to whom application of this bill is limited) from all other New Jersey drivers for whom out-of-state convictions are reported. In short, this bill would completely disrupt the computerized methods now used to record out-of-state records of New Jersey drivers.

In this age of great mobility, and especially in a State located between two great metropolitan centers, it would be sheer folly to ignore the driving records compiled by New Jersey drivers during that very large fraction of their driving time spent outside the State.

Most of the situations which give rise to a sense of unfairness or harsh treatment because of an out-of-state conviction would not be affected by this bill. First of all, this bill—in obvious response to the political pressures of a special interest group—is limited by its terms to the drivers of commercial vehicles. The ordinary tourist who may fall victim to a speed-trap would receive no benefit from this bill. Nor would this bill affect the reciprocity agreements with the States of Delaware and Connecticut, under which the license of a New Jersey driver must be suspended if his driving privileges are suspended in either of those States because of a violation committed within that State. Automatic suspensions will also continue to apply for out-of-state convictions for manslaughter or negligent homicide, driving "under the influence," use of a motor vehicle in the commission of a felony, and failure to stop and render aid in the event of an accident resulting in the injury or death of another person.

I shall not repeat here the arguments presented in my message returning Assembly Bill No. 216 as to the desirability of retaining the point system as a means of controlling and, if necessary, removing from the highways the habitual violators of traffic laws.

Like Assembly Bill No. 216, this bill results from the efforts of a small but highly organized special-interest group. A few truck drivers and other professional drivers

with bad driving records will benefit at the risk of the safety of all others on our streets and highways. If this Legislature enacts this bill, each Legislator who votes to override this veto will bear responsibility for the innocent victims of those unsafe drivers who will be allowed to remain on the roads because this bill has wrecked the effectiveness of the point system and of the programs of reciprocity and cooperation in highway safety enforcement with our sister States.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 6, 1968.

ASSEMBLY BILL No. 572

To the General Assembly:

I herewith return Assembly Bill No. 572, without my approval for the following reasons:

Assembly Bill No. 572 would add aircraft salesmen and certified flying instructors to the growing list of those exempt from the protection of the Wage and Hour Law.

The bill is frankly designed to benefit employers of such persons; there is nowhere offered justification for this peremptory denial of the protection of law to this single small class of employees.

Nothing evident in the nature of this employment distinguishes it from the many others who enjoy the benefits of wage and hour protection. No such discrimination is effected by the federal counter-part to New Jersey's Wage and Hour Law. Aircraft salesmen and flying instructors are nowhere considered so different as to warrant this special, and detrimental treatment.

The matter of exemptions from the coverage of the Wage and Hour Law is one evermore complicated by the increas-

ingly successful efforts of special interests to weaken and diminish its protections. It may well be that a complete analysis of this law and of those who should and should not benefit from it is appropriate at this time. In any event, we cannot countenance such an incidental encroachment upon the protection of this law, which was so clearly designed to be universal in scope and uniform in effect.

I therefore return Assembly Bill No. 572 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL NO. 584

To the General Assembly:

I herewith return Assembly Bill No. 584, without my approval, for the following reasons:

Assembly Bill No. 584 would extend for the first time to government employees the benefits of New Jersey's unemployment compensation and temporary disability benefits laws. Unfortunately, the Legislature has chosen here to extend employment security coverage to a minute fraction of those who are employed in the governments of this State. The bill is directed specifically to employees of the South Jersey Port Commission, an agency engaged on behalf of the people in the operation of public piers and port facilities. The evident legislative justification for this severely limited and hesitant step arises from the nature of the work of some of those in the employ of the Commission, who may be subject to unpredictable periods of unemployment.

The applicability of employment security legislation to those who are in the employ of government in this State is

a subject of some controversy. This issue should not be determined without the exhaustive attention of the Legislature to disclose all its ramifications and to resolve its many unanswered questions. However, the issue concerning the propriety of providing these benefits for public employees is not presented by Assembly Bill No. 584. Rather, that bill merely singles out an extremely limited class of employees for extraordinary benefits.

While sympathetic with the hazards of employment with the South Jersey Port Commission, I am unable to justify this special treatment accorded this small group and the consequent denial of these benefits to the thousands of other public employees whose labors might also be subject to interruption. Assembly Bill No. 584 is piecemeal legislation undertaken without benefit of the incisive inquiry to which such extraordinary measures are entitled.

This measure is not in the best interest of either the public employees or the people of New Jersey. I therefore return Assembly Bill No. 584 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 595

To the General Assembly:

I herewith return Assembly Bill No. 595, without my approval, for the following reasons:

This bill would amend N.J.S. 22A:3–4 to increase the maximum costs assessable in county district courts, municipal courts, and other inferior courts of limited criminal jurisdiction from $5.00 to $15.00 for traffic violations and from $10.00 to $25.00 in all other cases.

Information available from the Administrative Office of the Courts indicates that the present limits on costs seem to

be sufficient to cover court expenses. In view of this fact, it appears both unnecessary and undesirable to triple the maximum allowable court costs in traffic cases and to almost double the maximum in other criminal and quasi-criminal matters.

The appearance, as well as the reality, of justice is essential in our courts—especially in the lower courts, where the greatest number of persons have contact with the judicial system. Because all monies collected as court costs in the municipal courts are retained in the municipal treasury, any practice of assessing costs in these courts at amounts above the minimum actually required to cover costs might well arouse suspicion that this device was being used as a method of raising municipal revenues. The fact that the municipal governing body determines the compensation for the municipal judge, and the widely held assumption that many governing bodies take into consideration the revenues received from the municipal court in setting the judge's compensation, raises the danger that some persons may conclude that the assessment of costs is influenced by improper motives.

Furthermore, there is no assurance that the increased costs permissible under this bill may not, in many cases, be offset by a comparable reduction in the amount of a fine. The effect, therefore, could be merely to alter the disposition of funds collected by the courts.

In view of the wide-spread support for merger of our municipal courts into our State court system, I believe that any significant alteration in the financial structure of the municipal courts should await consideration of the proposed merger.

For these reasons, I conclude that enactment of this bill would be inappropriate at the present time.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968

ASSEMBLY BILL No. 597

To the General Assembly:

I herewith return Assembly Bill No. 597, without my approval, for the following reasons:

This bill would permit certain present members of the State Police Retirement System, and former members who have since retired, to purchase pension credit for public service rendered in another capacity for which the applicant could have purchased pension credit in another retirement system. The person applying for such credit would, under the provisions of this bill, pay into the State Police Retirement Fund an amount not to exceed the amount he would have had to pay into said other retirement system fund.

Under present law, members of the State Police Retirement System have the right to transfer pension credits from other retirement systems upon joining the system. Additionally, they have the right thereafter to purchase credit for prior public service upon payment of an amount based on the actuarial value of the credit in the State Police Retirement System which takes into consideration the current age and salary of the applicant. Under the provisions of this bill, the cost of purchasing such credit for past services, would be based on the applicant's salary at the time he rendered the service and on the contribution rate payable to the other retirement system—thereby shifting a substantial portion of the cost of purchasing such service credit in the State Police Retirement System to the State.

While the bill was pending in the Legislature, a fiscal note was prepared which estimated that the enactment of Assembly Bill No. 597 would require a State expenditure of $100,000.00 in fiscal 1968-69 and $25,000.00 in fiscal 1969-70. This was based on the estimation that approximately 15 members of the State Police Pension System would purchase such credit for past service. However, since that time, I have been informed that a substantial number of members of that fund, including some who have already retired, would elect to purchase prior service credit and it is now

estimated that the resulting cost to the State may be as high as $1 million over the next several years.

Additionally, and I am sure unintentionally, this bill limits the right to purchase credit for prior service credit to members of the State Police Pension System who joined prior to July 1, 1965 and would foreclose future members from purchasing similar pension credit on any cost basis.

For these above reasons, I am constrained to return Assembly Bill No. 597 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968

ASSEMBLY BILL No. 640

To the General Assembly:

I herewith return Assembly Bill No. 640, without my approval, for the following reasons:

At best, this bill would be a meaningless gesture without significant legal effect. At worst, it could be construed as an attempt at legislative usurpation of the legitimate functions of the judiciary. If the brief period of silent prayer or meditation provided for in this bill is, indeed, not a religious service or exercise, there is no need for such legislation. No enabling legislation is required to permit individual teachers or local school authorities to adopt the practice of holding moments of silence in a classroom. To the extent, however, that this bill may be designed to circumvent court decisions prohibiting religious exercises in the public schools, it represents an attempt to usurp judicial authority and is unconstitutional as a violation of the "Establishment Clause" of the First Amendment.

Legislation cannot alter the United States Constitution. The responsibility for authoritatively interpreting the Con-

stitution resides in the judiciary. To attempt to circumvent the decisions of our state and federal courts which have held that any law which requires religious exercises in the public schools is violative of the United States Constitution, is to undermine our system of government and the respect for the rule of law which is essential to a free society.

I am confident that such was not the intention of the sponsors of this bill. Rather, I am sure that this legislation was proposed in the expectation—which I share—that a moment of silence for meditation or reverence in the public school day, in the absence of compulsion or prescription by public authorities, is constitutionally permissible. But there is language in this bill which unnecessarily invites constitutional attack. Providing for the teacher to "*conduct* a brief period of silent *prayer* or meditation" suggests the idea of the schools conducting religious exercises, which the United States Supreme Court found to be unconstitutional in *Engel v. Vitale,* 370 U. S. 421 (1962), and *School District of Abington Township v. Schempp,* 374 U. S. 203 (1963). Requiring "the participation of all the pupils therein assembled" adds an element of compulsion which may also be considered objectionable.

I must reluctantly conclude that this bill would invite unnecessary litigation and religious controversy while being ineffective to authorize any practice which is not already permissible.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 643

To the General Assembly:

I herewith return Assembly Bill No. 643, without my approval for the following reasons:

This bill would authorize counties of the second class, having a population in excess of 265,000 but less than

350,000 inhabitants, to establish a transit authority and authorizes said authority to acquire and engage in the business of providing public transportation.

In addition to Assembly Bill No. 643, this Legislature also passed and presented to me Assembly Bill No. 750, which amends the general County Improvement Authority Law to permit authorities established thereunder to purchase and operate public transportation facilities.

Both of these bills contain similar provisions governing the powers and duties of such authorities and the major difference between the two bills lies in the fact that Assembly Bill No. 643 would have limited application to Mercer County.

Since there may be now, or in the future, other counties who may wish to use this authorization, I signed Assembly Bill No. 750 into law.

In view of this, Assembly Bill No. 643 is no longer necessary and therefore I return it herewith without my approval.

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

[SEAL]

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 786

To the General Assembly:

I herewith return Assembly Bill No. 786, with my objections, for the following reasons:

Assembly Bill No. 786 would establish for the first time in the State of New Jersey a work release program for certain inmates in State and county penal institutions. This

administration is certainly interested in fostering the rehabilitation of persons convicted of crime. Penal authorities throughout the nation have indicated that a sensible work-release program fosters rehabilitation, reduces welfare costs and goes far to preserve family contacts so essential to the remolding of the convicted criminal. I believe that Assembly Bill No. 592, prepared by this administration and introduced by Assemblyman Fay, provides for a sensible work-release program. Assembly Bill No. 786 does not.

Assembly Bill No. 786 would entrust the administration of a work-release program to a non-existent department of government—the Department of Criminal Justice. The bill further purports to exercise jurisdiction over county penal institutions when in fact no existing State department has authority to regulate the operation of those institutions.

Under ordinary circumstances it would have perhaps been possible through the use of a conditional veto to reconstruct this measure, however, this particular bill departs so widely from what I believe to be a sound and workable program as to defy rescue. I therefore invite this Legislature's early attention to and favorable action on Assembly Bill No. 592.

I therefore return Assembly Bill No. 786 without my approval.

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

[SEAL]

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 819

To the General Assembly:

I herewith return Assembly Bill No. 819, without my approval, for the following reasons:

This bill seeks to add to Title 2A of the New Jersey Statutes a new series of misdemeanors that proscribe certain activities on or about school property. In general, the activities proscribed can be characterized as activities involving the incitement of student disobedience.

I recognize that the ends sought to be served by this bill are in the public interest. No one deplores more than I do either the use of children for purposes of political agitation or the interference by outsiders with the proper functioning of our schools. We must protect the safety of students and teachers and preserve an atmosphere conducive to learning in our schools. It is my resolute desire to assure that there shall be no disruption of the orderly processes of education in New Jersey schools.

Nevertheless, I must conclude that this bill cannot contribute to these objectives. Its language is so broad and the proscribed activities so ill-defined that the bill is clearly unconstitutional. The Attorney General concurs in this conclusion that the bill contains serious constitutional defects.

Well-established principles of constitutional and criminal law declare that:

> "A statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application violates the first essential of due process of law." *State v. New York Central Railroad Co.*, 37 N. J. Super. 42 (App. Div. 1955).

The "void for vagueness" doctrine vitiates almost every provision of the bill. In addition, section 2 of the bill, which proscribes the distribution of literature which advocates interference with the orderly educational process, is in clear violation of the First Amendment of the United States Constitution. (Emphasis added.)

Subsection 1 (b) prohibits any person on or about school property from "(b) Encourag[ing] pupils to leave the school building or school premises without the permission of the principal of the school or other person exercising administrative responsibility". On its face, this excessively-broad language could be applied to any of the following situations:

> A parent who removes his child from school for some legitimate reason.

A passerby who alerts occupants of a school to the fact that the building is on fire.

A student who encourages another student to join him in cutting a class.

I would agree that the last example requires disciplinary action, but any Legislator who is able to recall his own school days may ponder whether subjecting a 17-year-old student to the possibility of a three-year jail sentence for the crime of conspiring to cut a class may be excessive punishment.

Among the inadequacies in the bill's drafting is the failure to distinguish between students and others legitimately, on the school premises, and outside intruders. The bill is also unclear as to whether it would be applicable to non-public schools.

Indeed, the bill is so full of holes that attempting to salvage it through a conditional veto would be as hopeless a task as trying to build a ship out of sand.

Furthermore, I note that there are already a variety of statutes on the books which are designed to accomplish the purposes of this bill. The most directly relevant appears to be N. J. S. 2A:170–28, which prohibits any person from disturbing or interfering with, by noisy or disorderly conduct, the quiet or good order of any place of assembly, including schools. The constitutionality of this statute was upheld in *State v. Smith*, 46 N. J. S. 510 (1966).

If the Legislature, upon careful consideration, determines that the existing statutes in this area contain a gap which could be closed by legislation meeting constitutional standards, I would be pleased to give my careful attention to a bill designed to protect our educational facilities and prevent our children from becoming the tools of agitators.

While bearing in mind the necessity of protecting the orderly educational processes of the schools, I think it is also appropriate to note that the public schools belong to the people and that we must seek to keep open the channels of communication which afford opportunities to all the people to voice their concerns and participate in shaping public policy regarding the schools. We must focus attention where it belongs: on the need for effective education for our children. One of the essential ingredients for effective education is order and discipline in the schools.

For these reasons, I herewith return Assembly Bill No. 819, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 243

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 243, with my objections, for reconsideration.

This bill would provide for the State licensure of master plumbers by a State board of examiners of master plumbers.

Over the years, it has been increasingly apparent that licensure of master plumbers by individual municipalities, which has application only within the physical boundaries of such municipality, is antiquated in our modern mobile society. A plumber today, in order to work in several municipalities, is required to obtain a license in each municipality. In addition to the obvious nuisance factor, limited licenses of this nature have been known to be used in an improper manner to limit competition.

I therefore am in agreement with the main purpose of this bill, namely, to provide for a State license which will permit a master plumber to work throughout the State. The licensure provisions of this bill, however, gives the master plumber a choice between obtaining a municipal license or a State license. This will of course limit the effective supervision of activities of plumbers by the State Board and

may be confusing to the public. Therefore, I would recommend to this Legislature that careful study be given to the advisability of deleting, by future legislation, the authority for municipal licensure of master plumbers.

In reviewing the provisions of this measure, certain technical defects were disclosed, and I would recommend that the Legislature amend the bill to clarify the powers and duties of the board, the qualifications for licensure, and to assure that the board will be financially selfsustaining.

For these reasons, I return herewith Senate Bill No. 243 and recommend that it be amended as follows:

On page 2, section 3, line 8, delete "2" and insert in lieu thereof "one".

On page 2, section 3, line 10, delete "one" and insert in lieu thereof "2".

On page 2, section 3, line 10, delete "a representative" and insert in lieu thereof "representatives".

On page 2, section 4, line 4, delete "1" and insert in lieu thereof "any".

On page 2, section 6, line 2, after "secretary" insert ", subject to the approval of the Attorney General".

On page 2, section 6, line 8, delete "a director" and insert in lieu thereof "an executive-secretary without regard to the provisions of Title II, Civil Service".

On page 2, section 6, lines 9 and 10, delete "subject to the civil service laws".

On page 2, section 6, line 13, after "Treasury." insert "All expenditures deemed necessary to carry out the provisions of this act shall be paid by the State Treasurer from the license fees and other sources of income of the board, within the limits of available appropriations according to law, but in no event shall expenditures exceed the revenues of the board during any fiscal year."

On page 2, section 7, lines 1 through 6, delete the section in its entirety and insert in lieu thereof, "The State board may adopt, amend and promulgate such rules and regulations which may be necessary to carry out the provisions of this act; provided, however, that the board's jurisdiction shall not include the regulation

or determination of matters relating to trade or craft jurisdiction or the determination of whether any particular class of employee is entitled to perform any particular work.''

On page 4, section 15, line 11, delete ''25'' and insert in lieu thereof ''21''.

On page 4, section 15, line 12, delete ''7'' and insert in lieu thereof ''5''.

On page 4, section 15, line 13, delete ''Five'' and insert in lieu thereof ''Three'' and delete ''7'' and insert in lieu thereof ''5''.

On page 4, section 15, lines 18-18A, delete ''2 consecutive years next preceding the date of application for such State license'' and insert in lieu thereof ''one year''.

On page 4, section 16, line 13, delete ''State examination'' and insert in lieu thereof ''license''.

On page 4, section 16, line 14, delete the line in its entirety.

On page 4, section 16, line 15, delete ''$25.00'' and insert in lieu thereof ''$50.00''.

On page 5, section 17, lines 4 through 11, after ''he'' delete the remainder of this sentence and insert ''has been employed or engaged in the business of plumbing for 5 years prior to the date of his application for a State license.''

On page 5, section 18, line 2, delete ''December 31'' and insert in lieu thereof ''June 30''.

On page 5, section 18, lines 2 through 4, delete the sentence in its entirety.

On page 5, section 18, lines 16 through 20, delete the sentence in its entirety.

On page 6, section 19, line 4, after ''State'' insert ''and provided further that such sister state's standards are equal to or comparable to those of this State''.

On page 6, section 22, lines 14 through 16, delete the sentence in its entirety.

On page 6, section 22, line 12, delete ''.'' and insert in lieu thereof '' ; or''.

On page 6, section 22, line 12, after this line insert,

"(e) been convicted of a crime involving moral turpitude; or

(f) violated any provision of this act or any rule or regulation adopted pursuant thereto."

On page 7, section 25, line 2, after "act" insert in lieu thereof "or any rule or regulation adopted pursuant therto".

On page 7, section 25, lines 2 and 3, after "less than" delete the remainder of this sentence and insert in lieu thereof "$100.00 or more than $500.00 for the first offense and not less than $500.00 or more than $1,000.00 for the second and each subsequent offense."

On page 8, section 28, lines 2 and 3, delete "1968 the sum of $25,000.00" and insert in lieu thereof "1969 all revenues received by the board, the expenditure of which shall be subject to the approval of the Attorney General and the Director of the Division of Budget and Accounting".

On page 10, section 30, lines 1 and 2, delete "but no license shall be issuable pursuant thereto until 4 months thereafter".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL NO. 373

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 373, with my objections, for reconsideration.

This bill would require that all motor vehicle license plates issued subsequent to December 31, 1968, shall be treated

with special reflectorized materials. Because reflectorized plates may contribute—even if only slightly—to improved highway safety, I approve the purpose of this bill.

However, the production of reflectorized plates will require the use of different materials and the installation of new equipment by the Bureau of State Use Industries, which manufactures the plates for the State. The quantity of materials already on hand or contracted for, and which will not be suitable for use in the reflectorized plates, and cannot be readily disposed of for other purposes, will not be exhausted until plates have been produced to supply most of the estimated needs for the first half of 1969. Production of the new, reflectorized plates will require installation of large-scale new equipment, because the process involves heating, laminating, and baking procedures not required for the present plates. The new equipment cannot be fitted into the present assembly-line and will necessitate the transfer of operations to a new assembly-line.

To facilitate the orderly transition in manufacture and distribution of plates from the present type to the new reflectorized plates, I recommend that the deadline after which the present type of plates may not be distributed be postponed until August 31, 1969. It is expected that the distribution of new plates will begin well before that date, but this schedule will provide time for restocking plate supplies in the motor vehicle agencies and will afford reasonable leeway in case any difficulties are encountered in the new production process.

The postponement I recommend will avoid disrupting the worthwhile program of helping to rehabilitate correctional inmates through constructive work under the Bureau of State Use Industries and will also avoid a substantial waste of State funds. The only way the State could possibly obtain reflectorized plates for distribution starting next January would be to purchase the plates on an emergency basis from some private manufacturer. There is no assurance that such arrangements could be made.

I therefore recommend that the bill be amended as follows:

> On page 1, section 1, in lines 21 through 23, delete: "All registration plates or markers issued subsequent to December 31, 1968, shall be treated by the department with special reflectorized materials designed to

increase the visibility and legibility thereof." In lieu thereof, insert the following: "All registration plates or markers issued by the department subsequent to August 31, 1969, shall be treated with special reflectorized materials designed to increase the visibility and legibility thereof."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 559

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 559, with my objections, for reconsideration.

Senate Bill No. 559 seeks to clarify section 34 of The Banking Act of 1948 by providing that the qualifying certificate necessary to appointment as a fiduciary by a court or officer of the State shall be, in the case of a national bank, the certificate of the Comptroller of the Currency. The existing law makes no distinction between national banks and banks subject to the jurisdiction of the Commissioner of Banking and Insurance and appears to require the Commissioner to certify the qualifications of all.

It is proper that the certificate of the Comptroller of the Currency be relied upon in determining the qualification of a national bank, however, the language employed in Senate Bill No. 559 to accomplish that end misses the mark. While the statement appended to Senate Bill No. 559 announces its purpose to be the facilitation of the qualification of a national bank, the bill itself appears to require dual certification by the Comptroller and the Commissioner. I therefore suggest amendments which I believe will, in fact, clarify the procedure to be followed by a national bank, and

which also reflect other technical changes recommended to me by the Commissioner of Banking and Insurance as more in keeping with modern banking practices.

Senate Bill No. 559 would also clarify the right of a trust company to deposit securities held by it with another bank. No discussion of this aspect of the bill is necessary since I have already signed into law Assembly Bill No. 645 which, in identical language, clarifies the same right.

For the reasons stated above, I herewith return Senate Bill No. 559 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 4, after "qualified bank" insert "or qualified savings bank".

On page 1, section 1, line 7, after "qualified bank" insert "or qualified savings bank".

On page 1, section 1, line 8, after "officer." insert "Such certificate shall be dated not earlier than 30 days prior to the date of its presentment to the court or officer, provided the court or officer is located in a county other than that in which the qualified bank or qualified savings bank is domiciled. In the case of a qualified bank or qualified savings bank located in the same county as the court or officer, such certificate shall be dated not earlier than one year prior to the date of its presentment."

On page 1, section 1, line 9, delete "qualified bank" and insert "qualified banking institution".

On page 1, section 1, line 13, after "qualified bank" insert "or qualified savings bank".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL NO. 565

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 565, with my objections, for reconsideration.

This bill would require payment by any taxpayer of 75% of a tax assessed against him prior to disposition of his appeal to the Division of Tax Appeals provided that six months has elapsed from institution of his appeal. The bill is designed to save from financial embarrassment those taxing districts which are deprived of substantial revenue pending the judgment of the Division of Tax Appeals on review of local property tax assessments. In some cases a single taxpayer contributes a substantial proportion of the entire revenue to the taxing district; thus, where issues regarding evaluation and taxability are vigorously contested, where amounts in controversy are great and where final resolution of these issues by the Division of Tax Appeals is delayed, some municipalities are made to suffer potentially disastrous financial hardship for substantial periods of time.

Unfortunately, the bill as adopted by the Legislature applies equally to the modest home owner as well as to the mammoth corporate property owner. In this respect, a mandatory and automatic early payment of a contested tax, triggered merely by the passage of time, could work an inequity upon a taxpayer even where a taxing district could suffer no hardship by further delay.

More equitable, and indeed more responsive to the dangers of the current situation would be a provision designed to permit, initially, each taxing district to itself assess the necessity for an early payment of controverted taxes and to require such taxing districts to establish, in a summary manner, objective facts indicating a necessity for such extraordinary relief. Such a procedure should invest the Division of Tax Appeals with little discretion in responding to the need of the community as evaluated by its representa-

tives, and should deny to the taxpayer claim of financial distress in defense of the order to pay pending appeal. Finally, such order should be enforceable as is any other procedural order of the Division of Tax Appeals.

Accordingly, I herewith return Senate Bill No. 565 for reconsideration and recommend that it should be amended as follows:

On page 1, Section 1, Lines 4, 5 and 6, delete "in which a final judgment has not been or shall not have been rendered within six months from the date of the filing of the petition of appeal to the Division".

On Page 1, Section 1, Line 7, following "shall", insert ", upon order of the Division of Tax Appeals,".

On Page 1, following Line 17 insert a new section as follows: "2. An order of the Division of Tax Appeals providing for payment of 75% of the tax pending appeal shall issue upon the motion of any taxing district supported by affidavit or other reliable evidence that a) no final judgment has been rendered by the Division of Tax Appeals; b) that more than six months has elapsed from the date upon which the petition of appeal was filed; c) that less than 75% of the taxes that would have been payable had the said appeal to the Division not been instituted have been paid; and d) that failure to require payment of funds prior to disposition of the appeal may work hardship upon the taxing district. Such motion may be heard and determined by the Division of Tax Appeals upon summary proceedings pursuant to such rules as may be provided by the Division for such purpose. Financial distress of an appellant taxpayer shall not constitute grounds for denial of such order."

On Page 1, Section 2, Line 1 delete "2." and insert in lieu thereof "3.".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL NO. 721

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 721, with my objections, for reconsideration.

This bill would allocate 10 per cent of the net receipts of the sales tax revenues, not to exceed $25 million, to be returned annually to the municipalities of this State on a population basis without specification as to use. I have consistently opposed this proposal for two principal reasons: First, I have viewed a program of aid to municipalities — to the exclusion of a program for emergency assistance to those school districts which are at the point of collapse and to the exclusion of efforts to rid our State of rat-infested tenements in which people are expected to live and to raise families — as a gross distortion of priorities. I have been joined in that view by almost every major newspaper in this State and by hundreds of citizens who have written me urging greater emphasis upon some correction of two of the social ills which have beset our society — inadequate education, indecent and unsanitary housing.

I have not altered my opinion that within the fiscal program which this Legislature saw fit to adopt a wiser allocation of resources could have and should have been made. However, I cannot close my eyes to the fact that as a result of the frank and open discussion which has taken place, legislative authorization has been obtained for a $12.5 million housing bond issue to go on the ballot in November. If that issue is approved by the people — and it will be if both political parties honor the unconditional commitment of support which they freely gave — a beginning will be had toward a solution of housing problems. I do not believe that the Legislature will ignore the opportunity which I have given it today in my conditional veto of Senate Bill No. 841 to address itself, at long last, to the grave and emergent educational problems confronting numerous school districts in this State.

If the housing bonds are approved and if emergency school education is authorized we will at least have demonstrated our concern. I am confident that the effort, once begun, will be followed to its inevitable conclusion — a decent education and a decent home for every citizen of this State. In these circumstances a State aid program for municipalities — the need for which I have never denied — is acceptable.

The program, however, is acceptable only if some sensible standard is laid down for the use of the money to be returned to the municipalities. Some overriding purpose must be served. There is no better purpose to be served — at this turbulent time in our nation's history, when crime in the streets and organized criminal activity concern all our people — than the purpose of law enforcement. I am therefore recommending that the moneys returned to the municipalities by Senate Bill No. 721 be used solely and exclusively for law enforcement purposes. It is not sufficient that we support our police by slogans when it is within our power to do something about the shamefully low salaries which we pay. For instance, a patrolman in the City of Trenton receives a beginning salary of $6,725 per year. His counterpart in Bridgeton receives $5,400 and in Newark, where the difficult problems confronting the police are well known, the beginning salary is $6,951. We cannot in good conscience continue to ask young men to risk their lives in defense of society and at the same time deny them a living wage. It is not enough that we decry violence in our cities and the growing power of organized crime when we can provide money for training, communications and police-community relations to efficiently combat those twin evils. Parenthetically, I note that the great demands now being placed upon our uniformed firemen, particularly during instances of civil disorder, warrant their inclusion in any plan for increased compensation.

To those who would argue that conditioning the use of State-aid money for law enforcement is proper in regards to large municipalities but does not reflect the needs of smaller communities, I call attention to recently published statistics of the Federal Bureau of Investigation documenting the alarming increase of crime in suburban America. Crimes against person and property have increased sharply in the most prosperous communities. Narcotics pushers ply their dirty trade in the suburb as well as the city. The record is tragically clear — there is not a municipality in the State

which does not have a need for some improvement of law enforcement, even including a regional defense against crime. Adoption of the recommendations contained herein will provide the means by which every municipality, acting separately or jointly, can step up its efforts against crime.

In order that the State be assured that law enforcement purposes are being served by the revenue returned under Senate Bill No. 721, I am recommending that each municipality's allocation be set aside until such time as a plan for its use has been approved by the newly created State Law Enforcement Planning Agency (SLEPA). This agency, created by Executive Order No. 45, is composed of representatives of the three branches of government and is already charged with the administration of funds received by this State under the Federal Safe Streets and Crime Act. It has been estimated that the State of New Jersey will be entitled to approximately $16 million per year under the federal program. SLEPA will plan for its use and assist municipalities in deriving the greatest possible benefit from that money. Oversight by SLEPA as to the use of State money under Senate Bill No. 721 will provide a coordinated State-Federal-local effort under which municipalities can use State money to match federal contributions, thereby assuring a maximum effort against crime.

Finally, I am suggesting that the formula for distribution of money under this program be somewhat modified as to more truly reflect the current burden upon individual municipalities and the efforts that those municipalities are making to help themselves. Rather than reliance strictly upon population, I recommend that the money be apportioned under this act based on the ratio which a municipality's tax levy for local purposes bears to the total raised for local purposes by all the municipalities of this State. In this way, those municipalities which have the greatest need for police, fire, sanitation and other services will receive a fairer share of the money to be distributed.

Much has been said for and against Senate Bill No. 721. At times the debate has been acrimonious and bitter. I hope that the controversy can now be ended on the common ground of our desire to bring peace to the streets and security to the homes of our State. Partisan differences could not be laid aside for a more worthy goal.

For these reasons, I return herewith Senate Bill No. 721 and recommend that it be amended as follows:

On page 1, section 1, delete lines 2 and 3 and insert in lieu thereof the following:

"a. 'Taxes raised for local purposes' means that amount raised for local municipal purposes, exclusive of bank stock taxes, and district school taxes as shown in the table of aggregates prepared pursuant to Revised Statutes 54:4–52(19)b."

On page 2, section 2, lines 7 and 8, delete "general municipal purposes", and insert in lieu thereof, "law enforcement purposes. Said money to be set aside in a special account and released to the respective municipality upon approval of a plan for its use for law enforcement purposes to be submitted to and approved by the State Law Enforcement Planning Agency (SLEPA) created by Executive Order No. 45.

In reviewing any plan submitted to it, the State Law Enforcement Planning Agency shall take into consideration the compatability or incompatability of said plan with a comprehensive statewide law enforcement plan".

On page 2, section 3, line 8, delete "population of" and insert in lieu thereof "amount of taxes raised for local purposes by".

On page 2, section 3, line 9, delete "population of" and insert in lieu thereof "amount of taxes raised for local purposes by".

On page 2, section 5, line 6, after "act." insert "The allocation shall be determined on the amounts to be raised by taxation for local municipal purposes during the year in which certification pursuant to this section is made."

On page 2, section 5, line 10, delete "." and insert in lieu thereof ", provided the use to which said money is to be put has been approved by the State Law Enforcement Planning Agency."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 746

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 746, without my approval, for the following reasons:

Senate Bill No. 746 is the last in a series of bills which have been introduced in this Legislature to resolve the thorny problem of establishing a fair and equitable procedure for the resolution of legitimate public employee grievances which does not impinge upon the public's right to uninterrupted service from the various branches of government. This measure is not perfect nor do I expect to be able to perfect it by the series of amendments which I propose. (I do believe, however, that those amendments substantially improve the bill.) We cannot wait for perfection when vital public services have been halted or confronted with the threat of interruption in such areas as police and fire protection, education, institutional care and transportation. We must get on with the job, even with the knowledge that in moving into a rapidly-changing field—the relations between public employers and public employees—we will make mistakes.

While Senate Bill No. 746 is not perfect, it enjoys an advantage which no previous piece of legislation has enjoyed—the substantial support of most employee groups. Employee confidence in the machinery for resolving disputes is clearly more important to satisfactory employer-employee relations than is the machinery itself. I do not doubt that theoretically more sound procedures for the resolution of grievances than those contained in Senate Bill No. 756 could be developed. There are bills pending before this Legislature which contain such procedures, but they have not attracted substantial support. The sponsor of this bill is to be congratulated for his successs in reconciling the previously irreconcilable views of a number of employee groups. Nor should we fail to recognize the great contribution made by the Public and School Employees' Grievance Procedure Study Commission. While frankly

not enough of that distinguished group's recommendations have found their way into Senate Bill No. 746, it is clear that it was the Study Commission's deliberations that unraveled many of the conceptual problems which impeded prior legislation in this area.

Senate Bill No. 746 is a significant step, however, it can and in some instances must be improved upon before it is added to the statute books of this State.

First, of paramount concern to me is the fact that the bill, as presently drafted, appears to suggest that public employees have a right to strike, contrary to long-established judicial interpretations of the New Jersey Constitution. Whether by indirection or otherwise, the Legislature in a last-minute amendment struck from Senate Bill No. 746 language disavowing any intention upon its part of enlarging upon the rights of public employees under the Constitution. That deletion, considered in conjunction with certain other provisions of the bill, implies that public employees may engage in work stoppages. The Public and School Employees' Grievance Procedure Study Commission developed a concept of collective negotiations which embraces a bundle of bargaining rights up to but not inclusive of the right of public employees to strike. But for the defects noted in the act, I would assume the Legislature intends that the term "collective negotiations" be given no greater scope than did the Study Commission. If, however, the Legislature intends more, it should be clearly understood that the Governor of this State will not become a willing partner. I have suggested langage which will remove all doubt as to the intention of Senate Bill No. 746 on this subject.

Secondly, I have been advised by the Attorney General of the State of New Jersey that the provisions of Senate Bill No. 746 dealing with the presentation of grievances by individual public employees is in violation of the New Jersey Constitution. Article I, Section 19, paragraph 2 of the Constitution provides, in pertinent part:

> "Persons in public employment shall have the right to organize, present to and make known . . . their grievances and proposals through representatives of their own choosing."

That right cannot be conditioned upon the absence of a majority organization as this bill attempts to do. That is not to say that exclusive representation for purposes of

collective negotiations cannot be conferred so long as the basic minimal rights of all public employees are preserved. I have suggested an amendment which I believe accomplishes that dual purpose.

Thirdly, in developing a procedure for public employee grievances we must take care that there are no untoward intrusions upon the civil service system. In 1962, President Kennedy's Task Force, in recommending adoption of Executive Order 10988 providing certain collective negotiating procedures for federal employees noted:

> "The task force wishes . . . to note its conviction that there need be no conflict between the system of employee-management relations proposed . . . and The Civil Service Merit System, which is and should remain the essential basis of the personnel policy of the Federal Government . . ."

The Public and School Employees' Grievance Procedure Study Commission also took the position that a system of collective negotiations could operate without assault upon the established civil service method of recruiting, selecting and promoting government employees on the basis of merit, provided, however, that legislation establishing collective negotiations did not abrogate, modify or hinder established civil service law, regulations or procedures. Language safeguarding civil service procedures was incorporated into Senate Bill No. 502, the bill to implement the Study Commission's report in toto, and I am recommending that that language now be engrafted upon Senate Bill No. 746.

Fourthly, I have noted, at the outset, the extreme importance of having employee confidence in whatever procedure is set down for the redress of their grievances. The other side of that same coin is that where a group of employees and their employers desire to pursue non-adversary procdures for the solution of grievances they should be permitted to do so. I have been asked by college administrators and by organizations representing college professors to exclude faculty members from the coverage of this act so that the evolving pattern of college senates, in which elected representatives of faculties participate on an equal basis with college administrators in developing policy, not be impeded. In view of this apparent unanimity, I am recommending such an amendment.

In addition to the above, I am making a number of other recommendations for amendment of this measure which I believe will:

(1) clarify the definition section;

(2) eliminate ambiguities in the structure of the agency;

(3) enlarge the Commission so as to permit a broader representation of employer and employee interests;

(4) preserve managerial initiatives in the formulating of new policies; and

(5) clarify other technical defects in the bill.

Finally, Senate Bill No. 746 as presently written would go into effect immediately. It is my belief that an adequate time ought to be given for the selection of the most competent persons possible to perform the very delicate and difficult task awaiting the Commission and to give those persons an opportunity to develop workable rules and procedures. I therefore recommend that the effective date of the act be extended until January 1, 1969. During this interim period the Legislature should seriously consider whether the $100,000 appropriated for this purpose is sufficient in light of the experiences with similar legislation in other states. For instance, I am informed that the New York State Public Employment Relations Board, with jurisdiction over approximately one million workers, has a budget of $1 million. It is extremely unlikely that adequate attention will be given to the needs of the 340,000 public employees in this State with a budget of $100,000.

For these reasons I herewith return Senate Bill No. 746 and recommend that it be amended as follows:

On page 2, section 3, lines 5 and 6, delete ", both in the private and public sectors".

On page 2, section 3, line 6, delete ", work stoppages" and insert after the word "strikes," the word "and".

On page 2, section 3, line 7, delete "employer and employee" and insert after the word "of" the word "industrial".

On page 2, section 3, line 9, delete "and public".

On page 2, section 3, line 13, delete "public and private employer-employee".

On page 2, section 3, line 15, delete "public and private employer-employee" and insert after the word "permanent," the word "industrial".

On page 2, section 3, line 19, insert the following new paragraph:

"It is further declared to be in the best interests of the people of the State that the rights and duties of public employers and public employees with respect to the joint resolution of terms and conditions of employment be prescribed, that there be established fair and equitable procedures for the resolution of legitimate grievances, and that the public welfare be protected by encouraging and assisting the settlement of disputes without interruption of service to the public."

On page 2, section 4, line 11, delete "This term shall include" and insert "(d) The term".

On page 2, section 4, line 12 delete "and".

On page 2, section 4, line 16, delete "(d)" and insert "(e)".

On page 3, section 4, line 28, after "Act." delete the remainder of line 28 through line 32B and insert in lieu thereof:

"(f) The term 'public employee' shall mean any person holding a position by appointment or employment in the service of a public employer, except elected officials, heads and deputy heads of departments and agencies, and members of boards and commissions, provided that in any school district this shall exclude only the superintendent of schools or other chief administrator of the district and provided, further, the term shall not include members of the faculty at any public institution of higher education as defined by section 18A:62–1 of the New Jersey Statutes.".

On page 3, section 4, line 33, delete "(e)" and insert "(g)".

On page 3, section 4, after line 41, insert the following new subsections:

"(h) The term 'supervisor' means any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them,

or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

"(i) The term 'professional employee' means—

(1) any employee engaged in work (i) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

(2) any employee, who (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (1) and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (1).".

On page 3, section 5, delete lines 2 and 2A and insert in lieu thereof "commission to be known as the New Jersey Public Employment Relations Commission".

On page 3, section 5, lines 3 and 4, delete "Division of [Administration] Public Employment Relations" and insert in lieu thereof "Commission".

On page 3, section 5, lines 6C and 6D delete "the Division of Public Employment Relations" and insert "New Jersey Public Employment Relations Commission".

On page 3, section 5, lines 7 and 8, delete "The Division of Private Employment Dispute Settlement shall assist in the resolution of disputes in private employment."

On page 4, section 6, lines 16A and 16B, delete "There is hereby established in the Division of Public Employment Relations a commission to be known as the" and insert "The".

On page 4, section 6, line 16C, delete ''This commission''.

On page 4, section 6, line 16H, insert after the word ''administrator'' the words ''of the Commission''.

On page 4, section 6, lines 16I and 16J, delete ''exclusively in the Division of Public Employment Relations'' and insert ''and who, subject to available appropriation, shall receive such compensation as is fixed by the Commission''.

On page 4, section 6, line 16O, delete ''7'', and insert in lieu thereof ''11''.

On page 4, section 6, line 16Q, delete ''2'' and insert ''4''.

On page 4, section 6, line 16R, delete ''2'' and insert ''4''.

On page 4, section 6, line 16T, after the word ''designated'', insert ''by the Governor''.

On page 4, section 6, line 16U, after the word ''appointees,'' delete ''2'' and insert ''4''; after the words ''2 years,'' delete ''2'' and insert ''4''.

On page 5, section 7, lines 4 through 6A, delete ''provided, however, that this right shall not extend to any managerial executive except in a school district the term managerial executive shall mean the superintendent of schools or his equivalent,'' and insert ''provided, however,''.

On page 5, section 7, line 6B, delete ''nor,''.

On page 5, section 7, line 7, delete ''shall any'' and insert ''no''.

On page 5, section 7, lines 7A and 8, delete ''having the power to hire, discharge, discipline, or to effectively recommend the same,'' and insert ''shall''.

On page 5, section 7, lines 10 and 10A, delete '', and the'' and insert ''. The''.

On page 5, section 7, line 14B, delete ''but the'' and insert ''and for consistency with the legal jurisdiction of the public employer involved. The''.

On page 5, section 7, line 18, after the word ''voting'' insert ''by secret ballot''.

On page 5, section 7, line 18, delete ''board'' and insert ''Commission''.

On page 5, section 7, line 28, delete "present or process grievances" and insert in lieu thereof "be designated, certified or recognized for the purpose of collective negotiations".

On page 5, section 7, line 29, after the word "construed", insert "to preclude the right of public employees to present and make known their grievances and proposals through representatives of their own choosing, or to deny any individual employee his rights under Civil Service laws or regulations".

On page 6, section 7, lines 42 and 43, after the word "shall," delete "be negotiated" and insert "whenever practicable, be announced in advance and discussed".

On page 6, section 8, line 4, delete "in private employment".

On page 6, section 8, lines 4 and 5, delete "through the Division of Private Employment Dispute Settlement,".

On page 6, section 8, line 7, delete "["; after the word "board" delete "]".

On page 6, section 8, lines 15 and 16, delete "through the Division of [Administration] Public Employment Relations" and insert in lieu thereof "may upon its own motion and".

On page 7, section 8, lines 19 and 19A, delete "Division of [Administration] Public Employment Relations" and insert "Commission".

On page 7, section 8, lines 21 and 22, delete "through the Division of Private Employment Dispute Settlement,".

On page 7, section 8, lines 23 and 24, delete "through the Division of [Administration] Public Employment Relations,".

On page 7, section 8, line 25, after the word "disputes", insert "and impasses between public employers and employees".

On page 7, section 8, lines 35 and 36, delete ", through the Division of [Administration] Public Employment Relations,".

On page 7, section 8, line 39, after the word "The", delete "division" and insert "Commission".

On page 8, section 8, lines 55 and 56, delete "Division of [Administration] Public Employment Relations" and insert "Commission".

On page 8, section 8, lines 76 through 80, delete subsection (h) in its entirety.

On page 8, section 9, line 5, after "activities.", insert "Nothing in this act shall be construed to alter the obligations and duties of persons in public employment under Article I, paragraph 19 of the Constitution of the State of New Jersey as the same has been interpreted by the courts of this State, particularly as bearing upon the absence of a right to strike. This act shall not be construed to confer upon public employees any rights not expressly granted by this act."

On page 8, section 9, line 6, after the words "construed to", delete "change or enlarge the rights" and insert in lieu thereof "alter the obligations and duties".

On page 8, section 9, line 7, delete "as set forth in" and insert in lieu thereof "under".

On page 8, section 9, line 8, after the words "New Jersey" delete ".]" and insert "nor to confer upon such persons any right not expressly granted by this Act.".

On page 9, section 10, line 5, after the word "State," add the following sentence: "Nothing in this act shall be construed to abrogate or modify in any way the provisions of Title 11 of the Revised Statutes, or any rules or regulations promulgated thereunder."

On page 9, section 15, line 15, delete "July 1, 1968" and insert in lieu thereof "January 1, 1969, provided, however, all arrangements necessary or appropriate to enable the act to become fully effective on said date shall be made as promptly as possible as though the act were effective immediately".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 769

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 769, with my objections, for reconsideration.

The bill would require all employers subject to the Federal Unemployment Tax Act to provide unemployment compensation and temporary disability benefits for their employees, except for those expressly excluded by R. S. 43:21–19 (i) (7). Among those groups exempted by this subsection are employees of the State or any of its political subdivisions, or any instrumentality of the State or any of its political subdivisions.

I am in full agreement with the expansion of coverage provided by this bill. However, notwithstanding the specific exemption of public employees, the title and section 2 of the bill seem to imply that certain public employees may be entitled to unemployment compensation and temporary disability benefits. Since this is not the case, I believe the bill should be amended to eliminate the language creating this ambiguity.

Also, it has been pointed out that some employing units may be subject to the federal employment tax one year, and not the next. Therefore, as presently provided in this bill, it would be impossible, in the early part of any given year, to determine whether or not an employee is eligible under the provisions of this bill for unemployment compensation and temporary disability benefits. In order to avoid any delay in processing such applications, I would suggest that the eligibility of any such employee be based on whether or not the employing unit was subject to said tax either during the current year, or the preceding year.

I am accordingly returning Senate Bill No. 769 for reconsideration with the recommendation that it be amended as follows:

On page 1, title, lines 1 through 6, delete the title in its entirety, and insert in lieu thereof: "An Act concerning unemployment compensation and temporary disability benefits, and amending section 43:21–19 of the Revised Statutes."

On page 4, section 1, line 131, following "Act", insert "within either the current or the preceding calendar year".

On page 4, section 1, line 131, delete "those engaged in", and insert in lieu thereof "for".

On page 4, section 1, line 132, delete ";".

On page 9, section 2, lines 1 through 11, delete the section in its entirety.

On page 9, section 3, line 1, delete "3", and insert in lieu thereof "2".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

SENATE BILL No. 841

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 841, with my objections, for reconsideration.

This measure provides that every school district shall receive an additional apportionment of $25 per resident pupil, beginning July 1, 1969. It has been estimated that the total cost to the State of this additional aid would exceed $34 million.

I have from the outset indicated that I would approve a measure increasing the State aid formula even though one

might argue that such an increase in advance of the final report of the State Aid Study Commission, chaired by the distinguished Senator from Somerset County, Senator Raymond H. Bateman, is premature. No one can doubt the fact that the taxpayers of this State need, and are entitled to, tax relief. By increasing State aid to education, the State will be alleviating the heavy burdens of the cost of education which now fall upon the taxpayers of this State. My support for this taxpayer relief was evident even when the Legislature was considering assisting only those municipalities which presently receive minimum aid. My support for these proposals, however, has been premised upon the abiding belief which I have, that the Legislature, in increasing State aid, would not ignore the very real educational crisis confronting the poorest school districts in this State.

It is common and shameful knowledge that too many of our schools, particularly those in our urban communities, are turning out those not well educated, and in fact in some extreme cases, functional illiterates. The burden which the in-migration of persons having special educational problems has placed upon these schools has made effective education virtually impossible. We must provide emergency assistance because the problem is truly emergent. We cannot leave the school systems of our great cities to flounder and finally collapse any more than State government could ignore natural disasters. In the past when the New Jersey shore was ravaged by hurricane, State government, on behalf of all the people of the State, took emergency action. In the last session of this Legislature, emergency action was taken to assist the flood victims in several northern counties of this State. We can do no less in the face of an educational crisis. This is one State and one people and if the educational system fails in one part of the State its ramifications are felt throughout. We need only look at rising crime rates, and rising welfare costs to see some of these effects.

There is before this Legislature a measure sponsored by Senator Woodcock of Bergen County, which would appropriate $25 million to the Department of Education so that special educational programs could be implemented in those school districts where they are most needed. I sincerely wish the Legislature had seen fit to pass that measure. Since it did not, and since the Constitution precludes me from increasing items of appropriation contained in a bill,

I am suggesting that a compromise be struck through the amendment of Senate Bill No. 841. I am recommending that the increase in State aid which this bill provides be reduced from $25 to $20 per resident pupil and that the balance of the $34 million be allocated for emergency assistance in needy school districts effective January 1, 1969.

For the reasons stated herein, I herewith return Senate Bill No. 841 for reconsideration and recommend that it be amended as follows:

On page 1, section 1, line 2, delete "$25.00" and insert in lieu thereof "$20.00".

On page 1, section 1, after line 2, insert new sections as follows:

"2. The Commissioner of Education with the approval of the State Board of Education shall have the authority and responsibility for making grants to school districts for educational programs and services designed to meet the needs of children who, because of environmental factors, are handicapped in their ability to profit from instruction, (hereinafter referred to as environmentally handicapped children) and to stimulate and assist in the development of exemplary and innovative educational programs in areas where there are high concentrations of such environmentally handicapped children.

"3. The State Board of Education shall promulgate rules and regulations for the granting of funds as hereinafter provided, which may be used for, but need not be limited to the following:

(a) The planning and development of programs which invent a creative solution to a problem related to the education of the environmentally handicapped.

Demonstrate an exemplary program which has possible widespread use,

Adapt an exemplary or innovative program to local circumstances and organize its incorporation into the local educational program.

(b) The lease, renovation or construction of facilities and the acquisition of such equipment as may be necessary for the operation of the program.

(c) Other expenses for programs and services necessary for the successful completion of the project.

"4. The determination of the eligibility of a local school district shall be based on the number of children of families receiving in excess of $2,000.00 annually from payments under the approved State plan for aid to dependent children under Title IV of the Social Security Act as of January 31, 1967 on enrollment as of June 30, of the fiscal year prior to that in which application for a grant is made.

"5. The Commissioner of Education shall, with the approval of the State Board of Education, promulgate rules and regulations, establish procedures, acquire personnel, and take all other necessary steps to insure the implementation of the provisions of this act.

"6. The Department of Education shall receive an amount equal to the sum of $5 multiplied by the total number of resident pupils eligible for State assistance in this State for the purposes set forth in sections 2, 3, 4 and 5 of this act."

On page 1, section 2, line 1, delete "2." and insert in lieu thereof "7.".

On page 1, section 2, line 1, after the word "effect", delete "July 1, 1969" and insert "January 1, 1969, except that section 1 of this act shall not take effect until July 1, 1969."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 29

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 29, with my objections, for reconsideration.

Assembly Bill No. 29 is the culmination of many years of effort to reconstitute provisions of law for the protection of our natural water supply from incidental incursion. The licensing of well drillers, and the resulting development of information concerning each well in this State has for many years been recognized as an essential instrument in the preservation of our natural resources and in planning for the future. In recent years, particularly, the need for accurate, detailed and complete information has become essential.

This bill will enable the Commissioner of Conservation and Economic Development to undertake information-gathering and regulatory responsibilities in connection with the drilling of wells with greater efficiency and effectiveness. Most significant, this bill provides an efficient procedure to enforce the requirements of law, thus making this regulatory act more responsive to the current needs of the State.

There are, however, several respects in which the bill as adopted by the Legislature requires minor amendment. The inadvertent reference to the "Division" where the evident intent is "Commissioner", provision for the number of members of the Board of Well Drillers Examiners which invites the possibility of frustrating tie votes, and the technically incorrect description of those excavations exempt from regulation should be revised before adoption of these amendments to the act.

Accordingly, I herewith return Assembly Bill No. 29 for reconsideration and recommend that it be amended as follows:

On Page 2, Section 3, Line 9, delete "8" and insert in lieu thereof "7".

On Page 2, Section 3, Line 17, delete "2 members" and insert in lieu thereof "1 member".

On Page 2, Section 3, Line 26, following "5 members." insert "All persons appointed to said board shall be citizens of the United States and residents of the State of New Jersey. The Commissioner may remove any member of the board, after hearing, for misconduct, incompetence, neglect of duty or for any other sufficient cause."

On Page 3, Section 6, Lines 9 and 10, delete "Division of Water Policy and Supply" and insert in lieu thereof "Commissioner".

On Page 4, Section 8, Lines 14 and 15, delete "or to cored holes 3½ inches or less in diameter which are drilled for exploration or investigation."

On Page 5, Section 9, Lines 4 and 5, delete "said department which shall transmit the same to the State Treasurer", and insert in lieu thereof "the municipality in which the offense occurred".

On Page 5, Section 11, Line 25, delete "division", and insert in lieu thereof "Commissioner".

On Page 5, Section 12, Line 39, following "material.", delete "Drive point wells under 4 inches", and insert in lieu thereof "Single domestic drive point wells 2 inches and under".

On Page 6, Section 13, Line 24, delete "division", and insert in lieu thereof "Commissioner".

On page 6, Section 13, Line 29, following "such violation," delete ".", and insert, ", which may be collected and enforced in an action by the department in the name of the State in a court of competent jurisdiction in summary proceedings pursuant to the Penalty Enforcement Law N. J. S. 2A:58–1 et seq. All penalties and costs collected in such actions shall be payable to the municipality in which the offense occurred."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 286

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 286, with my objections, for reconsideration.

This bill would amend the Urban Renewal Corporation Law to permit these corporations to acquire or lease property directly from a private or public owner.

The apparent intent of the sponsor of this measure is to give greater flexibility to the procedure for the acquisition of property in urban renewal areas, and thereby, hopefully, to stimulate new investments in these areas. However, in doing this, the draftor failed to provide the usual safeguards applicable to all urban renewal projects.

This bill, by permitting urban renewal corporations to acquire property directly from an owner, will undoubtedly speed up acquisition by not requiring compliance with the usual procedure. However, it would thereby also not subject the use of the property to any controls needed to assure comprehensive development or redevelopment. I would therefore recommend that the bill be amended to require that the property be developed in accordance with the urban renewal plan adopted by the governing body of the municipality.

The bill also permits an urban renewal corporation to lease property for an undefined number of years. Although I do not doubt that a holder of a long-term lease is likely to undertake some sort of rehabilitation or renewal of the property, it is unlikely that a short-term lease would result in any real capital expenditures on the part of the lessee. Since by the provisions of this bill a lessee may qualify for a tax exemption, it should be provided that the lease be of a sufficient duration that there is a likelihood of improvements being placed on the premises. Therefore, I would recommend that the bill be amended to require that any lease agreement undertaken by an urban renewal corporation be for at least 15 years.

Additionally, the bill permits any urban renewal corporation to acquire property by exchange of lands. In an exchange of land situation, it is often difficult to determine the exact value placed on the premises by the parties involved. Since property acquired under the provisions of this bill could therefore be subject to a property tax exemption based on the value of the premises, it is imperative that the consideration paid for the property be clearly established or definable. I would therefore recommend that an urban renewal corporation not be permitted to exchange property.

I am accordingly returning Assembly Bill No. 286 for reconsideration with the recommendation that it be amended as follows:

On page 1, section 1, line 4, delete ", exchange".

On page 1, section 1, line 4, after the word "lease", insert "of not less than 15 years,".

On page 1, section 1, line 6, delete the word ", exchange".

On page 1, section 1, line 6, after the word "lease", insert "of not less than 15 years".

On page 1, section 2, line 8, after the word "authority,", insert "and in connection with a redevelopment plan adopted pursuant to the procedures specified in Section 17(b) of Chapter 306 of the laws of 1949,".

On page 3, section 4, line 6, delete ", exchange".

On page 3, section 4, line 7, after the word "lease", insert "of not less than 15 years".

On page 3, section 5, line 10, delete ", exchange".

On page 3, section 5, line 10, after the word "lease", insert "of not less than 15 years".

On page 3, section 6, lines 14 and 15, delete the word ", exchange".

On page 3, section 6, line 15, after the word "lease", insert "of not less than 15 years".

On page 6, section 8, line 4, delete ", exchange".

On page 6, section 8, line 4, after the word "lease", insert "of not less than 15 years".

On page 6, section 8, line 6, delete ", exchange".

On page 6, section 8, line 6, after the word "lease", insert "of not less than 15 years".

On page 6, section 9, line 7, after the word "authority," insert "and in connection with a redevelopment plan adopted pursuant to the procedures specified in Section 17 (b) of Chapter 306 of the laws of 1949,".

On page 7, section 11, line 6, delete the word ", exchange".

On page 7, section 11, line 6, after the word "lease", insert "of not less than 15 years".

On page 8, section 12, line 10, delete the word ", exchange".

On page 8, section 12, line 10, after the word "lease", insert "of not less than 15 years".

On page 8, section 13, line 10, delete the word ", exchange".

On page 8, section 13, line 10, after the word "lease", insert "of not less than 15 years".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 419

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 419, with my objections, for reconsideration.

Assembly Bill No. 419 revises the Cigarette Tax Act of 1948 to provide a more effective procedure for the enforcement of the law and to expand its coverage to include the licensing of manufacturers and manufacturer representatives. The adoption of these amendments represents a distinct accomplishment in efforts by this State to control and reduce the growing incidence of tax avoidance by means of smuggling, counterfeiting, larceny and black marketeering.

In addition to these beneficial provisions, however, Assembly Bill No. 419 presents two other matters of utmost concern to me. The first, a probable error in form, supports an interpretation of this act which would exempt, for the first time, cigarettes lost, stolen or destroyed prior to delivery to a taxpayer-distributor, but after entry into this

State. The taxability of cigarettes thus lost to the legitimate market has been approved in a series of judicial opinions. To upset those decisions is to invite a loss of needed revenue.

Further, I am unable to approve the provision of Assembly Bill No. 419 establishing a Tobacco Industry Advisory Council to be composed of seven persons who are licensed under the Act or their representatives. This Advisory Council is directed to advise and consult with the taxing authorities and to report periodically to the administration. The bill does not recite the purpose of this advice and consultation nor does it stipulate the objective to be served by the periodic report.

The advice of members of a regulated industry certainly should be given full and careful consideration by the administrator of a regulating agency. I have no reason to believe that the Cigarette Tax Bureau closes its doors to such advice. Respectful and concerned attention to advice, however, is one thing, direct review, countenanced by law, is another. The creation of a Council, consisting exclusively of persons subject to regulation, to evaluate the performance of the regulator, does not necessarily lead to the inference that special interest will be served. The inference, however, is available to those who wish to draw it.

In the absence of any valid purpose to be served by the creation of a Tobacco Industry Advisory Council, I must withhold my approval of this provision of Assembly Bill No. 419.

For these reasons, I herewith return Assembly Bill No. 419 for reconsideration and recommend that it be amended as follows:

On page 2, section 1, line 8, following "the State;" delete "establishing a tobacco industry advisory council;".

On page 11, section 11, lines 2 and 3, delete "cigarettes in possession of licensed manufacturers prior to delivery to duly licensed distributors or on".

On page 11, section 12, lines 1 through 16, delete Section 12 in its entirety.

On page 11, section 13, line 1, delete "13." and insert in lieu thereof "12.".

On page 11, section 14, line 1, delete "14." and insert in lieu thereof "13.".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 499

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 499, with my objections, for reconsideration.

Assembly Bill No. 499 would require the County Clerk of the several counties to issue, upon request of any applicant 21 years of age or over, an identification card to be used by such applicant to establish the fact of his or her majority. This measure would assist alcoholic beverage licensees in fulfilling their responsibilities under the Alcoholic Beverage Law with respect to the unknowing sale of such beverages to minors. The method proposed by Assembly Bill No. 499 for the certification of a citizen's age is appropriate and desirable to avoid inconvenience and to satisfy in a uniform manner the requirements of law in connection with the purchase of alcoholic beverages.

Nevertheless, my objections to Assembly Bill No. 499 as presented are addressed to two defects which, if not corrected, would undermine efforts to control the access of minors to alcoholic beverages. In this regard, I think it crucial that the Legislature clearly state its intention (1) that the mere possession of an identification card prescribed by this bill by any person in connection with the purchase of an alcoholic beverage from a licensee shall not relieve the licensee of any liability imposed by law upon such licensee; and (2) that the identification card prescribed by this bill shall not be considered a "writing" within the meaning of sections 1(a) or 1(c) of chapter 228 of the Laws

of 1939. Clarification of these two matters of legislative intent would render Assembly Bill No. 499 much more supportive of the public interest of all the citizens of this State —minors and adults alike.

Accordingly, I herewith return Assembly Bill No. 499 for reconsideration and recommend that it be amended as follows:

On page 2, section 6, after line 15, insert the following sections:

"7. The fact of the possession or presentation of the identification card prescribed by this act by any person in connection with the purchase or attempted purchase, of any alcoholic beverage from any licensee of the Alcoholic Beverage Commission shall not be deemed to relieve such licensee of the obligations, responsibilities, or liabilities imposed by law upon such licensee."

"8. The identification card prescribed by this act shall not be deemed to constitute a 'writing' within the meaning of the laws of 1939, chapter 228, sections 1(a) or 1(c) [N. J. S. A. 33:1–77(a) or (b)]."

On page 2, section 7, line 1, delete "7" and insert in lieu thereof "9".

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

[SEAL]

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
September 10, 1968.

ASSEMBLY BILL No. 504

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 504, with my objections, for reconsideration.

This bill would amend existing law to provide for a more exact definition of hallucinogenic drugs, including LSD. I fully concur with these amendments.

The bill, however, would also amend the law to provide for mandatory minimum sentences for persons who are convicted of selling, giving, administering, or dispensing of such hallucinogenic drugs to persons under the age of 18. Without doubt, anyone who sells these drugs to children should be subject to a severe penalty. However, this bill does much more. It would make a predetermination that each and every person, notwithstanding any extenuating circumstances which may exist, should be subject to the same minimum penalty upon conviction. It not only provides that persons convicted of these offenses should be punished, but clearly implies that we cannot trust our courts and law enforcement officials to determine the degree of punishment which should be exacted for these crimes.

In 1964 when the Legislature presented to me a series of narcotic control bills containing mandatory minimum penalties, I conducted a thorough survey and study of the use of such penalties. I concluded that there was no evidence that the existence of mandatory sentences was a deterrent to crime and that there was ample evidence that it was, in fact, a deterrent to those who were attempting to rehabilitate persons convicted of crime. I also noted at that time that the imposition of mandatory minimum sentences by the Legislature was an unjustifiable vote of no confidence in our prosecutors and judges. During the intervening four years I have been presented with no information or evidence which would lead me to believe that I was mistaken.

Accordingly, I herewith return Assembly Bill No. 504 for reconsideration with the recommendation that the mandatory minimum sentences provisions contained in this bill be deleted. Specifically, I would recommend:

> On page 8, section 3, lines 9 and 10, delete "at hard labor for not less than 10 years with a maximum of" and insert in lieu thereof ", for not more than 30 years except upon the affirmative recommendation of the jury of life imprisonment in which case the punishment shall be".

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On page 8, section 3, line 15, delete ", with hard labor".

On page 8, section 3, lines 15 and 16, delete "less than 5 years not".

On page 8, section 3, line 18, delete ", with hard labor".

On page 8, section 3, lines 18 and 19, delete "less than 10 years nor".

On page 8, section 3, line 21, delete ", with hard labor".

On page 8, section 3, lines 21 and 22, delete ", with hard labor, for a term of not less than 15 years with a maximum of" and insert in lieu thereof "for not more than 30 years except upon the affirmative recommendation of the jury of life imprisonment in which case the punishment shall be".

On page 8, section 4, line 10, after "person" omit ". Except" and insert in lieu thereof ", except".

On page 8, section 5, line 7, after "person" omit ". Except" and insert in lieu thereof ", except".

On page 9, section 6, line 12, after "person" omit ". Except" and insert in lieu thereof ", except".

Respectfully,

/s/ RICHARD J. HUGHES,
[SEAL] *Governor.*

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY

OFFICE OF COUNCIL TO THE GOVERNOR

TRENTON

March 10, 1969.

Roger H. McDonough, Director
Division of State Library
Library Building
Trenton, New Jersey

DEAR MR. MCDONOUGH:

Enclosed herewith for filing are the following measures passed by the Legislature during the 1968 legislative year:

Senate No.	Assembly No.
127	85
239*	102*
314*	252*
333*	259*
351*	260
362*	281*
363*	291*
364*	302*
365*	549*
386*	566*
453*	589
457*	650*
511*	741*
530	747*
540*	755
593*	794*
611	991
638*	
682*	
683*	
722*	
871	
929*	

These measures were received by the Governor less than ten days prior to the adjournment of the Legislature sine die on the last day of the 1968 legislative year which occurred on January 14, 1969. They were not approved by the Governor. Under Article V, Section I, paragraph 14(b) of the Constitution, they do not become law if not signed within 45 days, Sundays excepted, after said adjournment.

Very truly yours,

JOEL H. STERNS,

Counsel to the Governor.

* Statement attached to bill.
JS:nb
Encs.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL NO. 239

STATEMENT

I am filing Senate Bill No. 239 (1968) in the State Library without my approval.

Article V, Section I, Paragraph 14(b) of the Constitution establishes this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In such circumstances there is no provision for a veto message, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 239 would amend the law governing purchases by the State to require that preference be given to products manufactured, grown or processed within this State and to businesses based within this State. The preference, however, is not absolute; it is to be given by the Director of the Division of Purchase and Property "when not adverse to the best interests of the State."

I am not unmindful of the arguments advanced in support of this legislation. Indeed, I agree that to the greatest

extent possible, the government of this State should use its purchasing power to strengthen the economy of New Jersey. To establish, however, this objective as the positive law of our State invites both constitutional challenge and economic retribution, which is both unnecesary and unsound.

Recent judicial trends indicate that imposition of a strict objective standard, such as place of manufacture, as a qualification for doing business with the State amounts to an unconstitutional discrimination and an undue burden on interstate commerce.

Of more immediate concern, it the likely retaliatory response of our sister states to protective legislation such as this. New Jersey's business community, among the strongest in the nation, does very substantial business with the governments of other states. The balance of this trade and the resultant employment and earnings generated for New Jersey business clearly is in our favor.

This concern, among others, such as the discouragement of potential bidders, increased cost to State Government, and administrative unworkability, has led to repeated opposition to this type of proposal by the National Association of State Purchasing Officials. Finally the specific exception in S-239 permits the Director of the Division of Purchase and Property to make any purchase from without this State where, in his opinion, such purchase is "not adverse to the best interests" of New Jersey. This determination by the Director is without standard, sanction or review. Because it is so broad and indefinite and because the Director himself must make a final decision without meaningful guidance, he is, in legal effect, left with total discretion. In fact, it could be used to evade the State's bidding statutes.

The bill does not, therefore, achieve its objective. It admonishes local purchase but permits foreign purchase in any case. Because the bill is, thus, possibly unconstitutional, practically ineffective and potentially misleading, it cannot be approved.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 5, 1969.

SENATE BILL No. 314

STATEMENT

I am filing Senate Bill No. 314 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem itto be in the public interest to state my reasons for deciding not to sign this bill.

Senate Bill No. 314 (1968) would require that the Commissioner of Institutions and Agencies in designating institutions to which sex offenders are to be committed shall not designate a State mental hospital or other institution unless such hospital or institution provides entirely separate facilities for the confinement of such persons.

Assembly Bill No. 474 (1969), chapter 4 of the Laws of 1969, includes an appropriation of $4.3 million for construction of additional facilities at the Adult Diagnostic and Treatment Center at Rahway. It is estimated that this construction will require at least 18 months. Until these additional facilities are available, it is not feasible to comply completely with the provisions of Senate Bill No. 314 (1968).

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 5, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 333 (1968)

STATEMENT

I am filing Senate Bill No. 333 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 333 (1968) would have authorized the City Council of the City of Newark to assume the entire premium costs of securing hospitalization insurance for employees of the City of Newark who would have retired subsequent to my approval of this bill. By its very terms Senate Bill No. 333 (1968) is drawn to benefit future retirants of the City of Newark only, to the exclusion of future retirants of all other municipalities of this State. This bill would supplement existing law which clearly prohibits every municipality of this State from paying the *entire* costs of hospitalization insurance for its retired employees.

It may be instructive at this point to review the convoluted history of Senate Bill No. 333 (1968) and its predecessors:

(1) Prior to 1954 three separate pension arrangements sought to provide for the welfare of Newark's retired employees—the Newark Board of Works Pension Fund, the Newark Board of Health Pension Fund, and the Newark Municipal Employees' Pension Commission.

(2) In 1954 those three funds were consolidated into the Newark Employees' Retirement System pursuant to Assembly Bill No. 252 (1954), which was approved by former Governor Robert B. Meyner on November 22, 1954 as P. L. 1954, c. 218.

(3) On May 17, 1965, I conditionally vetoed Senate Bill No. 99 (1965), section 6 of which required the Newark Employees' Retirement System to pay the entire cost of providing hospitalization, medical, surgical and other medical insurance for Newark's future retirants and required the Newark City Council to reimburse the Newark Employees' Retirement System for the cost of securing such insurance. The Legislature at that time failed to re-enact Senate Bill No. 99 (1965) with the amendments I suggested.

(4) On March 7, 1966 I filed in the State Library Senate Bill No. 348 (1965), which authorized the Pension Commission of the Newark Employees' Retirement System to assume the cost of providing hospitalization and medical insurance for future retirants of the City of Newark.

(5) On March 6, 1967 I filed in the State Library Assembly Bill No. 503 (1966), which—after the pattern of section 6 of Senate Bill No. 99 (1965)—required the Newark City Council to reimburse the Pension Commission of the Newark Employees' Retirement System for the entire cost of securing hospitalization and medical insurance for future retirants of the City of Newark.

(6) On September 20, 1967 I approved Assembly Bill No. 745 (1967) as P. L. 1967, c. 204. Section two of P. L. 1967, c. 204 authorized any municipality, county, school district or any agency thereof to enter into contracts providing continued hospitalization and medical insurance for retirants of those public employers. I approved Assembly Bill No. 745 (1967) as a result of my concurrence in the recommendations of the State Health Benefits Commission and as a logical concomitant of the adoption of the "Medicare" program by Congress. It should be noted, however, that section two of P. L. 1967, c. 204 [N. J. S. A. 40:11–16.1(2)(B)] prohibits any municipality from paying the entire cost of hospitalization and medical insurance for its retirants.

The culmination of this history is the adoption by the Legislature of Senate Bill No. 333 (1968), which would carve a special exception solely for the benefit of Newark's retirants to the flat prohibition of N. J. S. A. 40:11–16.1(2)(B) against the payment of the entire cost of hospitalization and medical insurance for the retirants of public employers.

I note at the outset that, apart from the points made below, I am constrained to withhold my approval from Senate Bill No. 333 (1968) on account of two major unresolved questions as to the proper interpretation of this bill. First, it is far from clear whether Senate Bill No. 333 (1968) is intended to benefit only future retirants of the City of Newark, or whether this bill is intended to benefit present as well as future retirants. Second, it is not clear whether Senate Bill No. 333 (1968) is intended to benefit

just those retirants of the City of Newark who are members of the Newark Employees' Retirement System, or whether this bill is intended to benefit those retirants as well as other retirants who are members of either the Consolidated Police and Firemen's Pension Fund, the Police and Firemen's Retirement System, the Essex County Board of Education Employees' Retirement Fund or the Public Employees' Retirement System. For the purpose of this statement, it will be assumed that Senate Bill No. 333 (1968) is intended to benefit only future retirants of the Newark Employees' Retirement System, for any other assumption is inconsistent with cost analyses furnished me by proponents of this bill.

My prior opposition to the predecessors of Senate Bill No. 333 (1968) has been predicated upon essentially three factors: (1) the questionable wisdom of the preference for future retirants over those already retired; (2) the doubtful validity of special legislation solely for the benefit of Newark's retirants, as against the pension needs of the retirants of all other municipalities; and (3) the staggering cost implications—directly to the City of Newark and possibly to the State as a whole—should efforts be made to extend comparable benefits to all public retirants. I state unequivocally that I have been presented no information since I conditionally vetoed Senate Bill No. 99 (1965) which persuades me otherwise.

Thus, with respect to Senate Bill No. 333 (1968)'s preference for future retirants, I hardly need point out that the present pensioners of the City of Newark are clearly in need of further assistance. Only the most wealthy could choose to ignore the tug-and-pull of the inflationary spiral of the past ten years, and particularly the skyrocketing costs of medical services. While I appreciate the desire of present employees of the City of Newark to provide for their futures, I am not at all sure that such provision should be made to the continued detriment of present pensioners.

Similarly, with respect to the "special legislation" aspect of Senate Bill No. 333 (1968), it should be sufficient to note that there are undoubtedly several other thousands of prospective public pensioners who would appreciate comparable benefits. I am presently incapable of distinguishing in a rational manner between those other thousands of prospective public pensioners and the future retirants of the City of Newark. Moreover, Senate Bill No. 333 (1968) will

benefit far less than a majority of the future retirants of Newark. It must be remembered that approximately 3,000 Newark policemen and firemen are covered by the Consolidated Police and Firemen's Pension Fund or by the Police and Firemen's Retirement System; that approximately 3,000 Newark teachers and other education employees are covered by the Teachers' Pension and Annuity Fund or by the Essex County Board of Education Employees' Retirement Fund; and that several hundred other Newark employees are covered by the Public Employees' Retirement System. Senate Bill No. 333 (1968) is not just a special bill for the City of Newark, but a special bill for a minority of the future retirants of the City of Newark.

Lastly, with respect to the immediate and possible financial implications of Senate Bill No. 333 (1968), the cost of the benefits authorized by this bill is a function of two factors—a 7-8% annual increase in hospitalization and medical insurance premiums and the number of retirants accorded the authorized benefits. I have been advised that the annual cost to the City of Newark alone of the benefits authorized by Senate Bill No. 333 (1968) would be approximately $35,000 at the end of the first year, $145,000 at the end of the first five years, and $243,000 at the end of the first ten years. This expense would allegedly be borne by a City Council which recently ordained the shut-down of the two major cultural institutions of the City of Newark. I am further advised that if all public pensioners—State and local alike—were to enjoy the benefits authorized by Senate Bill No. 333 (1968), the approximate cost in the first year would be $4,750,000, with a net yearly increase of approximately $400,000. I am not disposed to dealing lightly with legislation the financial implications of which are so serious.

Having spent practically all of my working years in public service, I am painfully aware my remarks herein will disappoint many future retirants of the City of Newark. Indeed, I have been advised that the Newark City Council has already adopted Ordinance No. 7RD080967 directing the Mayor and Finance Director to enter into contractual agreements designed to implement Senate Bill No. 333 (1968). In fairness, however, it should be noted that future Newark retirants affected by this bill might not be so disadvantageously situated if, in 1954, the proper action had been taken to allow them to receive Social Security benefits.

The comments herein may serve, I hope, as sufficient impetus for a study of the entire problem of public pension benefits. I have called for such a study since 1965, and today I repeat that call. In any case, however, I will not approve Senate Bill No. 333 (1968)—or any comparable legislation —until I am provided the results of such a study.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 5, 1969.

SENATE BILL No. 351

STATEMENT

I am filing Senate Bill No. 351(1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 351(1968) would have authorized each of the 21 county boards of chosen freeholders to establish and maintain a narcotic law enforcement and control education program for the benefit of county and municipal law enforcement officers. In addition, the bill would have authorized the various freeholder boards to designate either the county prosecutor or the county sheriff as the public official primarily responsible for the narcotics education programs.

There can be no doubt whatsoever that there is a demonstrated, continuing need for more advanced education of local law enforcement officers with regard to narcotics detection and control. The sponsor of Senate Bill No. 351 (1968) is to be commended for attempting to correct this need. Nevertheless, I must seriously question the wisdom of a corrective proposal such as Senate Bill No. 351(1968),

which would authorize each of the twenty-one boards of chosen freeholders to duplicate the efforts of the other twenty in training county and local law enforcement officers with respect to narcotics detection and control.

A far more practical and coordinated alternative would authorize the Police Training Commission—supported by adequate funds—to conduct a narcotics detection and control program for the benefit of county and local law enforcement officers. The demonstrated success of the on-going "Operation Combine"—a training program concerning civil disorder prevention and control—serves as ample precedent for the suggestion put forth here. A State-wide narcotics education program conducted by the Police Training Commission would accomplish the primary goal of the sponsor of Senate Bill No. 351(1968) without requiring the expenditure of duplicative administrative costs. In addition, the Police Training Commission is ideally equipped to monitor and disseminate to county and local law enforcement officers new developments in our determined efforts to eliminate narcotics addiction.

Respectfully,

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 5, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 362

STATEMENT

I am filing Senate Bill No. 362 (1968) in the State Library without my approval for essentially the same reasons contained in my Statement concerning Senate Bill No. 363 (1968).

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 25, 1968.

SENATE BILL No. 363

STATEMENT

I am filing Senate Bill No. 363 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 363 (1968) (hereinafter referred to as S-363) would supplement chapter 74 of the Laws of 1940 (N. J. S. A. 17:48A–1, *et seq.*) to mandate the payment of "Blue Shield" benefits to eligible individuals for services otherwise eligible for reimbursement when those services are rendered by a licensed chiropractor within the lawful scope of the practice of chiropractic. Although similar proposals have been presented to the Legislatures of this State for many years, none of the proposals received favorable action by the Legislature until 1968.

S-363 is patterned after similar recent legislation requiring reimbursement for services rendered by bio-analytical laboratories (P. L. 1963, c. 158; N. J. S. A. 17:48A–27), dentists (P. L. 1964, c. 1; N. J. S. A. 17:48A–28), and optometrists (P. L. 1967, c. 34; N. J. S. A. 17:48A–29). S-363 is a companion measure to Senate Bills Nos. 362, 363, 364 and 365 (1968), which would make comparable amendments to the law of this State with regard to benefits payable under group accident and health policies, individual accident and health policies, and employer liability policies.

The proponents of S-363 present essentially one argument — that services rendered by chiropractors should be eligible for reimbursement inasmuch as the practitioners of chiropractic are licensed by the State. Additionally, it is argued that otherwise eligible individuals are presently deprived

of a full "freedom of choice" with respect to the kinds of medical services they may desire. These arguments are appealing, for chiropractors have been licensed by the State of New Jersey since 1920. Legislation enacted that year — P. L. 1920, c. 4 — provided for the licensure of chiropractors and created an independent State Board of Chiropractic Examiners. In 1939, however, the wholesale revision of the Medical Practice Act effected by P. L. 1939, c. 115, abolished the independent board and subjected the practice of chiropractic to the supervision of the State Board of Medical Examiners. In the construction of that Board by statute (N. J. S. A. 45:9–1), the membership included, inter alia, one chiropractor and provision was also made for the appointment of two licensed chiropractors to be available to assist the Board in the administration of certain portions of its responsibility.

The practice of chiropractic is defined by New Jersey law only as follows: "A system of adjusting the articulation of the spinal column by manipulation thereof." The same statute places certain limitations upon the chiropractor, involving the use of endoscopic or cutting instruments, the prescription, administration or dispensation of drugs or medicines for any purpose whatsoever, the performing of surgical operations excepting adjustment of the articulations of the spinal column, and the signing of any certificates required by law concerning reportable diseases, or birth, marriage or death certificates.

The opponents of S-363 argue that my approval of this bill — and its companion measures — will encourage the consumer of health services to avail himself of services not grounded in reliable, scientific knowledge. Of primary significance to this line of argument is the fact that the chiropractor — unlike, for example, the physical therapist — is the "point of entry" in the health services field, thereby compounding whatever danger is caused by the absence of reliable, supportive scientific knowledge. Furthermore, it is argued that special reason for concern lies in the heavy reliance by chiropractors on X-ray diagnosis alone, without differential diagnostic techniques. These arguments — like those of the proponents of S-363 — are also compelling. It is thus quite obvious that this legislation is controversial in the extreme. It projects, on the one hand, the argumnet that its enactment would fully recognize the right of the patient to recover for all or any types of services or treatment, whether within the appropriate professional range

(as distinguished from the apparent legal range) of the practice of chiropractic or not. On the other hand, it points up the obvious deficiency of the rather vague description of that practice in the statute which does not seem to limit the range of such practice except for the surgical, drug administration and certification limitations referred to above.

In weighing the two sets of arguments presented for and against this legislation, in view of the vague definition of the nature of the practice of chiropractic and the consequent encouragement of a patient to rely upon the unlimited use of chiropractic for the cure of human disease or injury, logic alone might dictate that, absent a serious substantive challenge to the theory of chiropractic, S-363 and its companions should be approved. Such a challenge has been raised, however, in the form of a recent report submitted to the Congress by the Department of Health, Education and Welfare. That report was transmitted to the Congress pursuant to Section 141 of the United States Public Law 90-248, which required the Secretary of Health, Education and Welfare to report to the Congress with respect to the advisability of including the services of chiropractors within the supplementary medical insurance program — "Medicare" — under the Social Security Act. The methodology of study described in such report tended to show a degree of objectivity, the Department having recognized that . . .

> "some of the practitioner groups most interested in coverage under Medicare have not gained acceptance in the Nation's present physician (i.e., doctors of medicine and doctors of osteopathy) oriented health care system, and that every effort should be made to assure that their requests for coverage receive unbiased, impartial consideration. The approach for the study, therefore, was designed to maximize objectivity through every phase of the undertaking." (p. 9 of Report)

An elaborate consultation with preliminary screening by five expert review panels which reported to an Ad Hoc Consultant Group, including overall some 48 consultants, was established. The areas explored, inter alia, included the practitioner's ability to institute proper treatment, to recognize problems beyond his competence, and to make a proper referral. Also included was analysis of the validity of the diagnostic or evaluation and treatment methods utilized by the various disciplines. Professional associations, repre-

senting the practitioners being studied were allegedly given full access to the Consultant Group and many health and actuarial agencies of the federal government contributed from their expertise in the formulation of the report (pp. 10, 11, 12 of Report).

The HEW report referred to was entitled "Independent Practitioners Under Medicare" and it recommended the continuance of the present exclusion of chiropractic services from the operation of that Act. Former Secretary Wilbur J. Cohen sent to the Congress the following conclusions and recommendations:

"1. There is a body of basic scientific knowledge related to health, disease, and health care. Chiropractic practitioners ignore or take exception to much of this knowledge despite the fact that they have not undertaken adequate scientific research.

"2. There is no valid evidence that subluxation, if it exists, is a significant factor in disease processes. Therefore, the broad application to health care of a diagnostic procedure such as spinal analysis and a treatment procedure such as spinal adjustment is not justified.

"3. The inadequacies of chiropractic education, coupled with a theory that de-emphasizes proven causative factors in disease processes, proven methods of treatment, and differential diagnosis, make it unlikely that a chiropractor can make an adequate diagnosis and know the appropriate treatment, and subsequently provide the indicated treatment or refer the patient. Lack of these capabilities in independent practitioners is undesirable because: appropriate treatment could be delayed or prevented entirely; appropriate treatment might be interrupted or stopped completely; the treatment offered could be contraindicated; all treatments have some risk involved with their administration, and inappropriate treatment exposes the patient to this risk unnecessarily.

"4. Manipulation (including chiropractic manipulation) may be a valuable technique for relief of pain due to loss of mobility of joints. Research in this area is inadequate; therefore, it is suggested that research that is based upon the scientific method be undertaken with respect to manipulation.

"*Recommenation*

"Chiropractic theory and practice are not based upon the body of basic knowledge related to health, disease, and health care that has been widely accepted by the scientific community. Moreover, irrespective of its theory, the scope and quality of chiropractic education do not prepare the practitioner to make an adequate diagnosis and provide appropriate treatment. Therefore, it is recommended that chiropractic service not be covered in the Medicare program."

In trying to reach a determination on some of the vexing questions raised by these recommendations, I further took into consideration the fact that the chiropractor is often the "point of entry" into the health services field. Inasmuch as the chiropractor will often be the first — if not the final — consultant for health care, his education and training, as well as diagnostic techniques, are obviously relevant. In this regard, the following quotation from page 184 of the HEW report is significant:

> "However, significant shortcomings in chiropractic education include:
>
> 1. Lack of inpatient hospital training;
> 2. Lack of adequately qualified faculty;
> 3. Extremely low admission requirements for students;
> 4. Lack of a nationally recognized accreditation body;
> 5. Such dissension with the profession that two separate accreditation programs must be maintained.
>
> "These shortcomings raise serious doubts as to the qualifications of chiropractors generally to make an adequate diagnosis and effectively treat patients. The doubts are compounded when seen in the light of the chiropractic philosophy, which has been shown to deemphasize differential diagnosis and for therapy other than manipulation. Thus, it appears doubtful that improvement in the educational program can proceed, despite efforts in that direction, until:
>
> 1. The need for differential diagnosis and forms of therapy other than manipulation is recognized;

2. Fully qualified, *specialized* faculty are available to teach the scientific courses."

It is thus argued that absent the benefit of referral to a chiropractor by a medical practitioner whose practice is predicated upon widely-accepted scientific knowledge, the health services consumer who uses the chiropractor as a "point of entry" is not assured of either competent diagnosis or relevant treatment.

In my study I have also read a rebuttal of the HEW report filed with me on March 6, 1969 on behalf of the New Jersey State Chiropractors Society, which severely criticizes the validity of the HEW report. Without repeating its full detail, it purports to rebut, point by point, the HEW report.

In order to determine whether the evaluation of these questions reflected in the report filed with Congress under date of December 28, 1968 were still current, I raised that question with former HEW Secretary Wilbur J. Cohen in a telephone conversation on March 5. Secretary Cohen advised me of his strong belief in the integrity of the report. He further informed me that Congress will be considering the substantive questions to which it is relevant during this year, and will be conducting public hearings on the questions involved. It may be noted, parenthetically, that no public hearings were held by the New Jersey Legislature incident to the passage of S-363 or its companion bills.

The identity of the substantive question which will concern Congress, as to whether the inclusion of chiropractic services under Medicare is appropriate, and that before me, as to whether S-363 and its companions should be signed, would seem obvious, for both these decisions have a comparable basis in fact, depending as they do so importantly upon the true scientific value of chiropractic diagnosis and treatment.

I should make it clear at this point that my remarks do not imply any intention to adopt or give any currency to the findings of the HEW report or the content of the rebuttal filed by the Chiropractic Society. I neither accept nor reject any of these findings, but must admit that I am unable to answer the serious questions they raise.

Nor do I consider it possible at this point to resolve one argument raised by the opponents of S-363 — that my approval of this bill and its companion measures will result

in an increase in the Blue Cross-Blue Shield rate structure. I am well aware that over three million New Jerseyans look to Blue Cross-Blue Shield as a first line of financial assistance against the burdensome costs of illness. Even so, whatever rate increase might result from my approval of S-363 might well be justified if the serious questions raised by the HEW report should come to be resolved in favor of the scientific validity of the unlimited practice of chiropractic, for it seems to me that this scientific validity of the practice in an unlimited sense is crucial to all of these decisions.

On all these questions, my concern can be illustrated if we take a hypothetical tragic case: Suppose a patient suffering from a rapidly progressing malignancy should consult a chiropractor. Can an adequate diagnosis of such condition be made by the techniques used in this discipline? If an accurate diagnosis is made, can such cancer be treated by "a system of adjusting the articulations of the spinal column by manipulations thereof"? If not, should I encourage such consultation by the signing of the present legislation?

There are certainly elements of difficulty whatever decision is made. If the doubts of the diagnostic and treatment capacity of chiropractors are valid, obviously the lives and welfare of the patient are involved. If these doubts are not valid, that patient, obviously, should not be barred from recovering the cost of such services under the legislation before me. I have no idea of the basis on which the New Jersey Legislature passed these bills, or whether it, in fact, was able to determine these questions one way or another. I only know that I am unable to do so and can reach no determination which would justify a decision in favor of signing these bills. Thus I must file them without my signature, as stated.

I would hope that the Legislature would authorize a thorough, intensive, objective and impartial review of the practice of chiropractic under the law of this State. There will be ample material available to it on the subject of such investigation. Many people in organized labor, and many personnel directors in industry, for instance, have argued the value of chiropractic with respect to joint or strain injuries incident to physical work. Others in the medical profession will strongly deny the ability of practitioners of chiropractic to diagnose or treat many prominent ills of mankind. For this State to enact laws — right decisions must be reached on these questions — and hence the need

for the investigation which I recommend. Although I intend to consult with the legislative leaders, I would think it appropriate that the membership of any commission to evaluate these questions should be drawn largely from the biology and chemistry departments of the colleges and universities of New Jersey, should include equal numbers of chiropractors and medical doctors, as well as the Attorney General, our Commissioner of Health and our Commissioner of Banking and Insurance. Hopefully such a panel would be able to answer to the satisfaction of the people of New Jersey, and even more importantly, to their well-being, the questions raised by the HEW report now before Congress.

Should a study such as I have suggested reveal that chiropractic indeed is predicated upon widely-accepted scientific knowledge, it would obviously be just to approve legislation comparable to S-363 and its companions. If on the other hand such a study should demonstrate that the practice of chiropractic has no such unlimited scope, then it would seem quite wrong to encourage such unlimited treatment by signing legislation such as that before me. It may be indeed that the Legislature would be inclined to place limitations upon the "point of entry" element of this practice or otherwise to further define what should be its true scope.

The hearings before Congress on the Medicare question will undoubtedly shed some light on this subject, although we are not necessarily bound by the decision of Congress. Nevertheless, an executive decision to sign these bills or not must rest upon a clear understanding of the substantive and scientific questions involved and it is impossible on the case before me to reach that decision. Consequently, I must withhold my approval from S-363 and its companion legislation until the results of the investigation I have suggested become available.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 364

STATEMENT

I am filing Senate Bill No. 364 (1968) in the State Library without my approval for essentially the same reasons contained in my State concerning Senate Bill No. 363 (1968).

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 365

STATEMENT

I am filing Senate Bill No. 365 (1968) in the State Library without my approval for essentially the same reasons contained in my Statement concerning Senate Bill No. 363 (1968).

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 6, 1969.

SENATE BILL No. 386

STATEMENT

I am filing Senate Bill No. 386 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 386 (1968) would have amended section 14:8–1 of the Revised Statutes to eliminate the previously existing 8% per annum limitation on dividends payable to the holders of par value, preferred stock of a domestic corporation.

This legislation is now unnecessary since the new "New Jersey Business Corporation Act" which I approved as chapter 350 of the Laws of 1968 revised former R. S. 14:8–1 and eliminated the 8% preferred stock dividend limitation.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No 453

STATEMENT

I am filing Senate Bill No. 453 (1968) in the State Library without my approval.

Article V, Section I, Paragraph 14(b) of the Constitution establishes that this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In such circumstances there is no provision for a veto message, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would allow a police department of a city of more than four hundred thousand to hire any person who has been a State resident for at least one year. To qualify for permanent appointment, such person must become a resident of the appointing city within one year after initial appointment or 15 days written notice of the residence requirement, whichever occurs later.

The bill is designed to enable the largest city of our State to meet a developing crisis in the availability of qualified law enforcement personnel, which is affecting many cities of New Jersey both large and small.

Present law provides authority to all New Jersey's municipalities to go beyond their borders in search of qualified personnel. Pursuant to Chapter 292 of the Laws of 1966 (C. 40:47–3.5), any municipality may by ordinance, authorize appointment as police or firemen, of persons who have lived in this State for at least one year, and who, within a year of appointment, assume residence in or near the appointing municipality.

In certain respects the existing law is far more effective that that proposed in Senate Bill No. 453.

The residence requirement of our Civil Service law, originally adopted to assure the identity of law enforcement with the community it serves, is rapidly becoming a hindrance to effective law enforcement rather than an aid. There is no question of the necessity for a review of our rigid and outdated restrictions.

In my special message of April 25, 1968, I urged amendment to the Civil Service law permitting waiver of the municipal residence requirement under certain circumstances and substitution of the requirements that the applicant be a citizen of the United States (or an applicant for such citizenship) and that he assume residence in proximity to the appointing municipality such as will satisfy the municipal governing body that his non-local residence will be no hindrance to the effective performance of his duties.

I once again urge consideration of that measure. It would make available to all the municipalities of our State an additional source of qualified personnel. Of particular significance here is the location within our State of two military centers from which are discharged annually many dozens of young men willing to adopt New Jersey as their home state and able to contribute effective service to the communities of our State. At the present time, most such men are ineligible for appointment by reason of their lack of residence. New Jersey should take advantage of this opportunity. It cannot do so, however, under the provisions of S-453.

For the above reasons, S-453 is filed in the State Library without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL NO. 457 (1968)

STATEMENT

I am filing Senate Bill No. 457 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become law if it is not signed within the 45-day period, Sundays excepted following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Senate Bill No. 457 (1968) would authorize counties of the fifth-class (Atlantic, Ocean and Monmouth) with a population of less than 300,000 (Atlantic and Ocean) to pay members of their Board of Chosen Freeholders annual salaries not in excess of $12,000, except for the Director of the County Board of Freeholders, who would be authorized to receive up to $13,000. The legislation is permissive and not mandatory.

The present law now authorizes counties governed by small Boards of Freeholders having a population of more than 75,000, but not more than 600,000 to pay their freeholders annual salaries of between $6,000 and $9,000 (plus $500 additional to the director of the board). In all three counties of the fifth-class, the present freeholders' salaries have a maximum of $9,000 a year.

This bill would further compound an already complex system of classification by stating that in the case of counties of the fifth-class having a population under 300,000, the salary range shall be higher than in a county having a population in excess of 300,000, despite the fact that it is in the same class. If there is any unifying principle in the way freeholders are paid, it is in the present language of NJSA 40:20–72. There, the Legislature based the salary ranges for freeholders on the assumption that the larger and more populated the county the more responsibility was vested in the freeholder—and therefor the freeholders of the larger counties receive higher salaries. This bill removes whatever basis of rationality existed in NJSA 40:20–72 by allowing a smaller county to pay more than a larger one. Furthermore, it discriminates against a larger county which the Legislature itself has determined to be of the same class by NJSA 40:17–2. This would appear to be an arbitrary classification under the provisions of the N. J. Const., Article IV, Section 7, paragraphs 7 and 9(5), prohibiting the enactment of "private, special or local" laws, in particular, those changing the salary at which public officials are entitled [see *Sawyer* v. *Kearny*, 85 NJL 625 (1913)].

I would be prepared to approve a bill which would authorize counties on their own motion to raise the salaries of freeholders, when justified, uniformly throughout the State. I am not prepared, however, to endorse special legislation of this type, however much it may be merited in the particular case before us.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 6, 1969.

SENATE BILL No. 511 (1968)

STATEMENT

I am filing Senate Bill No. 511 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Senate Bill No. 511 (1968) would authorize certain municipalities to construct and operate a local oceanarium to be maintained by an oceanarium authority and funded by revenue bonds of that authority.

The broadest possible latitude is accorded by this bill to an oceanarium authority. Specifically, the act provides, at page 13, section 6, line 58 (subsection m):

> "To include in its oceanarium or any project, and operate or provide and lease, as lessor, lands, structures, space or accommodations (whether constructed by the authority or by a lessee) for parking of vehicles or any public, business or commercial use, if, in the opinion of the authority, such inclusion, operation, provision or proposed leasing is necessary to assist in defraying the expenses of the authority in connection with such oceanarium or project and make possible the operation of the oceanarium at reasonable rates and will increase the oceanarium facilities which can be feasibly financed, constructed, acquired and operated pursuant to this act;"

The authority is thus empowered to engage in any commercial enterprise so long as, in its opinion, such is necessary to support the oceanarium. Intended or otherwise, this language empowers the oceanarium authority to undertake non-governmental activities supported by tax-free

municipal bonds. Although effective restrictions preventing abuse of this authority may arguably be found in the control to be exercised by both the municipal governing body and the financial community, which must review and approve any bond issue, excessive latitude such as this is to be avoided.

While Senate Bill No. 511 (1968) must, therefore, be filed without my approval, I wish to record my agreement with the evident legislative purpose here in support of projects designed to make more attractive the tourist and convention facilities of New Jersey's shore communities. Authorization to undertake a facility, such as that authorized by this bill, will receive my support, provided appropriate, meaningful and effective restrictions upon the scope of permitted activities is imposed.

For the above reasons, Senate Bill No. 511 (1968) is to be filed in the State Library without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 6, 1969.

SENATE BILL No. 540

STATEMENT

I am filing Senate Bill No. 540 (1968) in the State Library without my approval.

Article V, Section I, Paragraph 14(b) of the Constitution establishes this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In such circumstances there is no provision for a veto message, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 540 would authorize any two or more counties to create by parallel resolution a public authority for the construction of a public expressway project. The

act envisages the creation by boards of freeholders of public toll roads financed by county bonds and governed by independent expressway authorities. The evident purpose of this legislation is to authorize the construction of a road or roads either not approved as an element of the State-wide, comprehensive highway plan or accorded low priority in such plan. Without explanation or excuse, the act seeks to circumvent, if not destroy, the authority of the State Department of Transportation to implement transportation policies throughout the State giving due regard to both local and State-wide considerations.

Dilutions of the authority of this State Government to plan and effectuate a coordinated and comprehensive State-wide transportation system is undertaken only at the gravest risk. In addition to the apparent technological advantages enjoyed by the centralized State-wide authority, it is clear that local decisions subject to no review but that of the local resident, do not in fact, and perhaps cannot in concept, comprehend relevant considerations of health, commerce, labor, natural resources and community development, in addition to transportation, generated out of the needs of the State as a whole.

Without there being offered some meaningful and persuasive rationale in support of the introduction of local government into the business of constructing facilities which must necessarily constitute State highways, this bill cannot be approved and must be filed.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 593

STATEMENT

I am filing Senate Bill No. 593 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 593 would provide for an annual increase in pension in the amount of $3,500.00 beginning in the fiscal year 1967, for helping teachers who were not reappointed through mistake, inadvertance or misunderstanding. Such helping teachers would receive credit for earning the sum of $10,000 a year for services as helping teachers, even though they were not so employed.

The position of helping teacher does not have tenure; appointments are for a one-year period; re-appointments are within the discretion of the Commissioner of Education. Therefore, no hearings are held on re-appointments, and no records exist to determine whether any persons would qualify for an increase in pension. Existing records appear to indicate that there are none who would so qualify.

The main problem with the bill, however, is that it radically alters the system of awarding pensions by allowing for payment for periods when the pensioners were not employed, and when there is no indication that services were performed. An increase in pension is an inappropriate remedy for what is allegedly an unfair discharge.

If there are cases of unjustified discharge, the best procedure would appear to be for the Legislature to hold public hearings and present a special claim, labelled as such. When important administrative principles are involved, such as in this case, a more complete investigation seems warranted.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 638

STATEMENT

I am filing Senate Bill No. 638 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state briefly my reasons for deciding not to sign this bill.

Senate Bill No. 638 (1968) would disclaim any State interest in a certain tract of land containing 8.88 acres and located in Jackson Township, Ocean County. On the basis of a title search going back to 1745, the Division of Fish and Game claims an interest in this tract as part of parcels it acquired in 1941 at a purchase price of $27,500.00. It appears that both the private claimants to this tract and the Legislature were unaware of the extent of the State's claim when this bill was proposed and passed each house.

In any event, the Commissioner of Conservation and Economic Development is authorized under N. J. S. A. 23:8A–3 to sell, lease, or exchange the state's interest in such property under such terms as the State House Commission may prescribe.

Under such circumstances, it would appear appropriate for the Division and the private claimants to compare the basis and extent of their conflicting claims and to seek to negotiate a fair resolution of the conflict.

At this point I cannot approve a bill which would release all State claims to the property in question.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

SENATE BILL No. 682

STATEMENT

I am filing Senate Bill No. 682 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Senate Bill No. 682 (1968) would prevent the State Public Health Council from including in the State Sanitary Code any regulation requiring fluoridation of public potable water supplies. At present the Sanitary Code "may cover any subject affecting public health, or the preservation and improvement of public health and the prevention of disease."

This bill raises a number of very serious questions on a variety of different levels. But the paramount issue involved here, it seems to me, is the selection of the most appropriate decision-making body to determine public policy in regard to fluoridation.

First of all, as a practical matter, an effective decision on this subject can be reached only on a state-wide basis. The number of different communities served by each of the major public water supply systems in the State makes it unrealistic to expect that unanimity among the municipalities served by a system will ever be achieved. And the vehemence with which some opponents of fluoridation press their viewpoint is sufficient to insure that no water supply system management is likely to venture into this whirlpool of controversy on its own initiative.

The issue then becomes which state body should make the decision. There is no doubt that the Public Health Council now possesses the legal authority to require, or to prohibit, fluoridation if the scientific evidence justifies a

conclusion that either decision would contribute to "the preservation and improvement of public health." This is the purpose for which the Council was created and various powers were delegated to it. The eight members of the Council are appointed for 7-year terms by the Governor with the advice and consent of the Senate. All current members of the Council have been appointed to more than one term and most have served for several terms. The training and experience which these distinguished members possess makes the Public Health Council ideally qualified to judge the medical and scientfic evidence upon which any rational decision on fluoridation ought to be based.

It is not unusual for legislative bodies to delegate rule-making authority in specific fields to administrative agencies created for this purpose. This delegation is especially useful and appropriate when the subject matter involved requires special expertise. Clearly, no one can deny that the formation of intelligent public policy on fluoridation requires expert evaluation of complex scientific data—both as to the claimed benefits of fluoridation in preventing dental decay and as to any possible medical dangers which could result to anyone as a result of drinking or using fluoridated water. To remove this subject from the jurisdiction of the agency best qualified to provide expert judgment simply does not make sense. Furthermore, such action would establish a very dangerous precedent with implications which extend far beyond the subject of fluoridation. If the functions of a specially-qualified administrative body are to be curtailed whenever vehement and articulate opposition is organized against a proposed decision, then the very fabric of modern government is in danger of coming unwoven. The dangers are especially acute in the critical area of public health.

Nevertheless, I would have considered signing this bill if the Legislature had given any indication of a willingness to consider the question of fluoridation on its merits. After having demonstrated its displeasure at the Public Health Council for daring to raise the subject, the Legislature has shown no desire to shoulder responsibility itself for weighing the "pro's" and "con's" of this controversial and technical subject. Thus, approval of this bill would have the practical consequence of depriving the people of New Jersey of the opportunity for the reasonable and careful consideration which the subject of fluoridation deserves.

In an effort to contribute to rational consideration of an issue which has become super-charged with bitter emotions and an incredible collection of misinformation, I consider it worthwhile now to review the principal scientific and legal questions which are involved.

Let us start by looking at the scientific data which is available and the conclusions which have been drawn from this information by responsible, qualified persons on both sides of the controversy.

1. There is "preponderant experimental support for the view that addition of sodium fluoride to drinking water confer[s] a certain resistance to tooth decay in a large percentage of children in the age bracket characterized by maximum physical growth." This quotation is from the science editor of *The Saturday Review*, who takes a generally negative review of the desirability of fluoridation. The scrupulously independent *Consumer Reports* concludes that, "Children who drink fluoridated water for the first eight years of their lives average 60 per cent less decay than those who grow up without benefit of fluorides. The resistance to decay continues throughout life, particularly for those who continue drinking fluoridated water."

In Chicago, which has flouridated its water supply since 1956, a survey of 12,000 school children in the first and fifth grades in 1966 indicated a 67 per cent reduction in tooth decay. The City's Board of Health estimated that during the 10-year period parents saved more than $2 million in dental costs for children under 14 years of age.

2. Tooth decay is a widespread and serious problem in the United States. It has been estimated that the population of this country has more than one billion unfilled cavities, an average of about 5 per person. Only about one-third of the population visits a dentist annually. Even if everyone sought dental care and could afford its cost, there are not enough dentists to provide the needed care. The ratio of dentists to the civilian population has been further declining in recent decades. The staggering problem of dental decay defies solution, unless further steps for prevention are taken.

3. The most effective large-scale method for preventing dental decay appears to be to maintain a minimal percentage of fluoride in a community's water supply. "[F]luoride provides its benefits most reliably when ingested," accord-

ing to *Consumer Reports*. "Fluoride will help build a decay-resistant tooth surface when merely painted onto a child's teeth. But it does a better job when included in proper amounts in the diet of growing children. As a practical matter, there's only one way to include it that is at once highly effective, fully safe and inexpensive for large-scale use—fluoridation of a community's water system." With the possible exception of some question over the degree of safety, the accuracy of this statement appears to be generally accepted by the responsible experts.

Certain fluoride toothpastes have been recognized by the American Dental Association as effective in reducing cavities. However, this does not mean that the use of these toothpastes is as effective as fluoridation of drinking water or offers a possible substitute. *Consumer Reports* explains the disadvantages of other alternatives:

> "Those who oppose community fluoridation on principle while admitting the value of dietary fluoride sometimes suggest that individuals who want fluoride could add it to their food at home. That would be neither simple nor as reliable and safe as fluoridation of community water. The water in many communities already contains some natural fluoride, so each family would individually have to measure out its own fluoride in accord with the natural supply. There would be the problem of making sure that every child got enough, but not too much, of the fluoride-bearing food.
>
> "It has also been suggested that individual families might dose their children with fluoride tablets, available only on prescription) dissolved in water or fruit juice. (Fluoride-vitamin combinations are available, too, as are chewing gums containing fluoride.) Fluoride taken that way can be effective—if taken faithfully. But use of such tablets poses serious problems not found with community fluoridation. To get enough, the children would have to drink all their water at home or carry some fluoridated water when they went out—a virtually impossible regime to follow. Excessive or prolonged overdoses can be harmful, so you'd have to be careful in preparing the mixture and in storing the tablets out of a child's reach. Tablets taken directly would, of course, require supervision. And for maximum benefit, the family would have to go to all the fuss and bother every single day for each child from birth until 12 years of age."

In addition to other disadvantages, full-scale distribution of fluoride tablets to the children within the appropriate age level in New Jersey would require an expense of approximately $7 million each year for the tablets alone (based on present prices), without including costs of distribution or providing instructions. This cost is 10 times as great as the estimated cost for fluoridating all but a small fraction of the public water supplies in the State.

(The relative merits of fluoride tablets versus fluoridation of the water supply system are disputed by John Lear of *The Saturday Review* and by other fluoridation opponents, but primarily on philosophical grounds or because of skepticism about the safety of fluoridation. Any judgment as to the disadvantages of tablets cited by *Consumer Reports* has to be more or less subjective. But on this matter those of us with experience in raising children may be able to claim a greater degree of expertise than the research scientists or than science writers. The limited experiments attempted with tablets have tended to substantiate *Consumer Reports'* pessimism.)

4. In several statistical studies comparing the populations of areas having various percentages of fluoride naturally present in their water supplies, other areas with fluorides added, and areas without fluorides, no fluoride-related bone abnormalities, pathological effects or differences in the death rate showed up. Some of these studies extended for as long as 25 years. Comparisons of a pair of fluoridated and non-fluoridated cities in both New York and Michigan were made over a 10-year period.

Approximately 10 million people in the United States live in communities with naturally fluoridated water. Roughly 40 per cent of the total population now has water which is fluoridated—either naturally or artificially.

There is continuing dispute by fluoridation opponents over whether the general statistical comparisons and other studies, provide a sufficient degree of safety as to rule out any possibility of dangerous effects on persons suffering from certain unusual types of illnesses. Proponents do concede that in one study of an area having naturally fluoridated water at 8 times the percentage recommended for artificial fluoridation, some indications were found of minor changes in nails and in bone structure but the researcher who discovered these added that they were "a matter of small importance as to public health."

5. Fluoridated water can mottle (or discolor) the teeth of some children. But at the recommended level of fluoridation only a small percentage of children are affected and the mottling is so slight that it takes a trained eye to detect it. This mottling involves no health problem; the only effect at all is on appearance.

6. Two scientific papers delivered in 1968 and widely publicized for the first time in *The Saturday Review* of March 1, 1969, reported that the use of fluoridated water in artificial kidney machines, used for "hemodialysis"—or cleansing of the blood—in patients whose kidneys have failed, seems to produce extremely high concentrations of fluorides in the patient's bloodstreams and resulting bone disorders and other complications.

Particular aspects of the hemodialysis machines may explain the startling amount of fluoride transferred from the water in the machine to the patient's blood. The doctors who conducted this research have emphasized that the results they found do not show that such effects would be brought about by fluoridated water taken by mouth. One of the doctors explicitly declared that "their findings have no implications whatever in the use of fluoridated water for drinking in those centers which add the chemical to the water supply as a tooth decay preventative."

Despite the conclusions which fluoridation opponents may attempt to draw from the hemodialysis results, no scientific evidence has yet established that drinking water fluoridated at the levels maintained in artificially fluoridated water systems has detrimental effects on anyone.

However, this recent research has raised some questions and has revealed potential new lines of research, especially in relationship to the discovery of a free ion form of fluoride which was not previously recognized.

I am, therefore, recommending to the Public Health Council that, in connection with any consideration of a possible regulation on fluoridation, it investigate fully all possible implications of the on-going research reported by *The Saturday Review* and any other relevant scientific information which may have a bearing on the possibility of fluoride side-effects in victims of kidney disease or other unusual disorders.

It should be emphasized that the assumption by many fluoridation opponents that it is an established fact that

diabetics, or persons restricted to salt-free diets, or persons suffering from rheumatism, or sufferers from any variety of other ailments, cannot safely drink fluoridated water is without scientific foundation.

It should also be noted that de-mineralizers are available for installation by any persons who insist on removing fluoride from their water.

In connection with a second article relating to fluoridation in the March 1, 1969, issue of *The Saturday Review*, one should be aware that the criticisms are relevant to the *procedures* used by the Public Health Service in reaching its decision in 1950 to endorse fluoridation. The author voices concern because P.H.S. gave its endorsement "before several important medical and legal issues had been thoroughly explored." But most of these remaining issues have been explored and resolved in favor of fluoridation during the subsequent years.

On the legal issues, I can speak with a greater degree of confidence and familiarity. But I believe the most effective summary can be provided by quoting from a speech by Charles S. Rhyne, former president of the American Bar Association and one of our nation's most distinguished lawyers:

> "What can the opponents of fluoridation really conjure up as great constitutional questions that arise from the fluoridation of water?
>
> "I would say at the outset that they have imagined or raised three fundamental constitutional questions, two of them under the 14th Amendment and one of them under the First Amendment. They claim that fluoridation infringes on their individual liberty in contravention of the due process clause, and that covers almost a multitude of things in the legal field. And secondly, fluoridation of water violates equal protection of the laws. And thirdly, it violates their religious freedom.
>
> "Now looking first of all at the due process point, you must start by looking at the overall factual picture. The biggest law fact is that the very reason for the existence of organized government, the very reason for the existence of federal, state, and local governments is to provide for the health, safety, and general welfare of the community.

"On the local level we lawyers refer to this as the police power. It's a general power possessed by all governments, and particularly by state and local governments, to protect the public. And the problem here is in its broadest aspect whether or not the right of an individual to be free under our Bill of Rights and our Constitution is infringed by the forced drinking of water that has fluorides in it, and whether or not in this broad spectrum of individual freedoms there is some freedom that is infringed by the drinking of water that has fluorides.

"The judge's task is to weigh both sides of the issue and to strike a proper balance because under our Constitution, while we do have more freedoms than any other people on the face of the earth, these freedoms are not absolutes. . . .

"Now when you come to the due process argument and this balancing that the courts must do, it's always helpful to take a look at the facts on the other side: you have this power to protect the public, to promote the general health, safety, and welfare . . . and when you look at the means by which you are doing this, the factual background of fluoridation is of course extremely helpful to the judge because overwhelmingly the expert surveys—dental and medical surveys—prove beyond question that fluorides are safe, effective, preventive of dental defects or caries.

"When you take this fact and weigh it against the individual's claim of right to be free from governmental invasion of his physical integrity, the courts haven't had much difficulty because the scientific, the expert case in support of fluoridation is so overwhelming. And when the judges look at that and look at the needs of organized society for this type of protection they have had no difficulty in brushing aside the claims that fluoridation is mass medication or socialized medicine, or all the other phrases or adjectives that the opponents have been able to think up.

"The courts have been unanimous on this point and as of now some 30 courts have passed on this issue of due process and only one court—a court up in Connecticut whose decision has been wiped out by a later state statute—has even found a procedural or lack-of-power situation to exist.

"The Illinois Supreme Court, for example, on this issue of due process made a comment like this:

" 'The fluoridation program even if considered to be medication in the true sense of the word is so reasonably related to the common good that the right of the individual must give way.'

"And so the broad attack under due process has failed, and I predict it will continue to fail.

"Now let's look at the next objection under the 14th Amendment—equal protection of the laws.

"The argument here is that instead of being a program for the benefit of the whole community, fluoridation is a program for the benefit of a few children. . . . The courts here have had no more difficulty than they have with the due process objection. The claim that this is a discrimination in favor of children and against older people has been brushed aside as entirely without merit.

"A New York court made a comment such as this:

" 'The health of our children is a legitimate area of public and governmental concern, whether under the police power of the state or the exercise of the state's power to protect the general welfare.'

"Now we come to the third constitutional objection which is that there is an infringement of the freedom of religion, the exercise of religion is guaranteed by the First Amendment. And true it is that the judiciary has been very zealous in preventing interferences with religious freedom. But the distinction you have to keep in mind is the distinction between the absolute freedom to believe and the more limited freedom of religious expression or practice.

"One may conceive it is his duty, his religious belief, to practice polygamy but it's well established that the state may punish this practice as a crime.

". . . So with respect to the argument that religious freedom has been infringed in the fluoridation of water, the courts too have unanimously held this is an argument or legal point that has no merit.

". . . So when you look at the three constitutional issues that have been raised, I would say to you that

they do not have any substance and I do not anticipate that any courts in the future would uphold any one of these objections."

I think we can summarize the entire controversy over fluoridation by saying that all the scientific, legal, and ethical questions boil down to this: Is there any real likelihood that, for some medical reason as yet not understood, some persons may suffer serious side-effects from the use of fluoridated drinking water that would outweigh the proven benefits of greatly reduced cavities in children's teeth?

This is essentially a medical and scientific question—which the Public Health Council is best qualified to determine for New Jersey.

Three years ago a nation-wide survey revealed that New Jersey ranked 44th among the 50 states in the percentage of its population receiving fluoridated water. Since then it is probable that some of the six states ranked below us have passed New Jersey. If we continue to lag behind and not to fluoridate, then it ought to be for one reason and one reason only—that qualified persons have carefully reviewed the evidence and determined that the disadvantages exceed the advantages. We ought not to avoid the issue merely because we, as a State, cannot decide *who* should decide.

RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 5, 1969.

SENATE BILL No. 683

STATEMENT

I am filing Senate Bill No. 683 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legisla-

ture. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 683 (1968) would have amended in several ways the criminal law of New Jersey with respect to the crime of arson. Sections one through three of Senate Bill No. 683 (1968) would have amended Sections 2A:89–1, 2A:89–2 and 2A:89–4 of the New Jersey Statutes to provide that a convicted arsonist shall be punished by imprisonment for not less than 3 nor more than 10 years, and fined not more than $2,000.00. In addition, Section four of Senate Bill No. 683 (1968) would supplement chapter 89 of Title 2A of the New Jersey Statutes to provide that the possession, control or sale of a "Molotov Cocktail" shall be a high misdemeanor.

To the extent that Senate Bill No. 683 (1968) is intended to write into the law stronger deterrents to would-be arsonists, I applaud the efforts of its sponsor. He and I share completely a feeling of total revulsion toward arson, which is perhaps the most heinous and cowardly crime imaginable. For the reasons stated below, however, I feel constrained to withhold my approval from Senate Bill No. 683 (1968). In so doing, I hereby make myself and my staff available to the sponsor of Senate Bill No. 683 (1968) for the purpose of drafting a measure which will not be vulnerable to the criticisms set out in this statement.

I have given considerable thought to those provisions of Senate Bill No. 683 (1968) which would increase the penalties for arson, such that a convicted arsonist would be liable to imprisonment for 3 to 10 years and a fine of not more than $2,000.00. While I applaud the intent of the sponsor of Senate Bill No. 683 (1968) to increase the penalties for arson, I am not yet persuaded that these increases are sufficient to "make the punishment fit the crime." In reaching this conclusion I have drawn freely upon my earlier experience as a member of the bench of this State. My recollection of that experience, as well as my evaluation of the deterrent effect of these provisions of Senate Bill No. 683 (1968) leads me to call for far heavier penalties.

In fact, I have previously suggested that the crime of arson should be punishable by imprisonment for not more than 30 years and by a fine of not more than $50,000.00. Legislation comporting with this suggestion was before the 192nd Legislature in the form of Assembly Bill No. 770

(1968). I sincerely regret that the Legislature chose not to take favorable action with regard to Assembly Bill No. 770 (1968).

I am also constrained to withhold my approval from Senate Bill No. 683 (1968) because the provisions of Section four of Senate Bill No. 683 (1968) are redundant with respect to present law. As stated above, Section 4 of Senate Bill No. 683 (1968) would supplement chapter 89 of Title 2A of the New Jersey Statutes to provide that the possession, control or sale of a "Molotov Cocktail" shall be a high misdemeanor. Such a provision was added to the criminal law of this State by Assembly Bill No. 563 (1968), which I approved June 21, 1968 as chapter 100 of the Laws of 1968. Accordingly, the provisions of section four of Senate Bill No. 683 (1968) are unnecessary inasmuch as they merely duplicate the provisions of P. L. 1968, c. 100.

RICHARD J. HUGHES,
Governor.

Dated: March 5, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT
March 7, 1969.

SENATE BILL NO. 722

STATEMENT

I am filing Senate Bill No. 722 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Since 1963, physical therapists have been licensed in New Jersey in accordance with the standards of the State Board of Medical Examiners. This board is composed of representative members of all branches of the medical profession and includes a physical therapist. The qualifying standards for

physical therapists are prescribed after consultation with a Physical Therapy Advisory Committee, the majority of whose members are practicing physical therapists. Under this arrangement, some 700 physical therapists have been licensed to practice in New Jersey since 1963. They have rendered valuable services to the community upon the written prescription or oral direction of a licensed physician. They are not allowed to practice without such a consultation with a licensed physician.

Senate Bill No. 722 would remove physical therapists from the supervision of the State Board of Medical Examiners and would substitute instead a separate licensing board which would be composed of 4 physical therapists, and one other member. It is my feeling that such a move would be unwise and I cannot support it.

The State Board is able to supervise most of the various branches of the healing arts; qualifying standards are set so as to insure the highest degree of expertise and usefulness to other members of the medical profession. This system is particularly sound in the case of physical therapists who can practice only after referral by a medical practitioner. Their views are adequately represented at present. In addition, I am advised that under the standards prescribed by Senate Bill No. 722 (1968), the future number of physical therapists qualified to practice would be reduced, for no sound medical justification.

Although the law of this State presently authorizes the existence of more than fifteen professional and occupational licensing boards, legislation is continually introduced to create even more. Most troubling about this tendency is the fact that professional and occupational boards have been created—and more suggested—without benefit of any review of the field and sure guidelines. I see no reason at this time to encourage the proliferation of professional and occupational licensing boards without such a study, and accordingly will withhold my approval from Senate Bill No. 722 (1968).

I take this opportunity, nevertheless, to make it clear that the State needs—and I would welcome—a thorough legislative review of the status of professional and occupational licensing. For the time being, however, I have ordered an immediate Cabinet-level review of professional and occupational licensing. Chaired by the Counsel to the Governor, the review panel will consist of the Attorney General, the Com-

missioner of Health, the Director of the Division of Professional Boards and the Director of the Office of Consumer Protection. I would be happy to make available to the Legislature the findings of the review panel or, if the Legislature should undertake a study such as I have suggested, to make the members of the panel fully available to the legislative study commission.

I am confident that the public interest will be better served if I withhold my approval—except in emergency situations—from further professional and occupational licensing legislation until such a review is completed. Accordingly, I must withhold my approval of Senate Bill No. 722 (1968).

RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 6, 1969.

SENATE BILL NO. 929 (1968)

STATEMENT

I am filing Senate Bill No. 929 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Senate Bill No. 929 (1968) would have allowed (a) the re-appointment in non-civil service municipalities of a member of a police or fire department within two years of the effective date of his resignation, and (b) a policeman or fireman re-appointed in this manner to re-purchase his rights under the Police and Firemen's Retirement System in the same manner as if he had never resigned, i.e., including the period during which he did not work for the municipality and was in private employment.

I find this second aspect acceptable. It would put a public agency in the anomalous position of having to contribute to a pension for two years during which the beneficiary was employed in the private sector. Provision for payments would not have been budgeted during the two-year period and for the smaller municipalities might cause some financial strain. Moreover, since there is no examination on re-appointment (as these are non-civil service municipalities) there is a danger that the privilege to re-purchase would be abused, as an individual may have become ill or injured during the two years in which he was not employed by the municipality. Therefore, I believe it is essential that the readmission of the individual to the pension system be conditioned on his age and physical condition at the time of his re-purchase of pension rights. And, of course, his rights should be limited to re-purchase pension benefits to which he had contributed prior to his resignation.

A second objection to the bill stems from Section 2 which would allow the re-purchase of pension rights. I believe that the bill may be too narrowly drawn in that it only allows the re-purchase of rights under the Police and Firemen's Retirement System (P. L. 1944, c. 255). It appears that most municipalities which are not governed by civil service in fact include their police and firemen not under this pension system but under the general Public Employees' Retirement System. Therefore, in order to be effective, this bill would have to provide for the re-purchase of rights in that system as well.

I have no difficulty with Section 1 of the act which allows for the re-appointment of qualified policemen or firemen who have resigned in good standing. The lack of adequately trained personnel in this field is well known and I completely endorse the objective of the sponsor in this regard.

Consequently, with these changes, I would strongly support this legislation and offer Senator Wallwork such assistance as I may be able to provide.

RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 102

STATEMENT

I am filing Assembly Bill No. 102 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 102 would create a New Jersey Board of Hearing Aid Dispensers authorized to license those who sell and fit hearing aids. It would add, to a rapidly growing list, another occupational skill to be regulated only by persons engaged in the same occupation. I have repeatedly stated my opinion that no professional board should be established without appropriate representation thereon for disinterested public citizens. If persons engaged in an occupation are to be given the right to regulate their own affairs and to exclude some from its practice, we must be sure that these rights are exercised in a manner fully consistent with the public interest. This interest cannot be secured without adequate public representation on self-regulatory licensing boards such as Assembly Bill No. 102 (1968) would create.

Apart from the problem of public representation on self-regulatory licensing boards, however, is my concern over suggested justifications for legislation such as A-102 (1968). For example, it is often argued that legislation such as A-102 (1968) is designed to protect the consumer by prohibiting fraudulent and deceptive advertising practices. I have already noted in my statement accompanying Assembly Bill No. 549 (1968) — which was filed in the State Library — that some question has been raised as to the proper role of the State in this regard. A more direct source of protection for the consumer may be found, in my opinion, in an ade-

quately staffed and financed Office of Consumer Protection. That Office's record of demonstrated accomplishment in the two years of its existence clearly indicates that the Office of Consumer Protection is our first line of defense against consumer fraud of all types.

There is only one meaningful justification, in my opinion, for self-regulatory occupational licensing proposals such as Assembly Bill No. 102 (1968). That justification holds that the persons engaged in an occupation are best qualified to establish and enforce minimal standards of professional education, skill and judgment. I fail to see, however, how this bill establishes such minimum standards. The sole requirement for the dispensing of hearing aids is that a person have "an education equivalent to a 4-year course in an accredited high school or has continuously engaged in the practice of fitting and dispensing hearing aids during the three years preceding the effective date of this act." I, for one, am not at all persuaded that high school education or "grandfather clause" practice is sufficient to protect the members of the public from danger to their health.

Let me make it clear that the citizens of New Jersey are entitled to legislation which would provide for the establishment of minimum standards of service. Particularly is this so when, as recently reported by the United States Public Health Service in the August, 1967 National Hearing Aid Journal, the great percentage of audiometers used in the United States were found to be defective. These defects were found to stem, in large part, from inadequate knowledge on the part of the users of the audiometers about the repair and calibration of audiometers. Clearly some objective, independent and disinterested agency should be charged with the task of formulating standards for the use of these devices. Unfortunately, however, Assembly Bill No. 102 (1968) neither provides the kind of standards required nor creates such an objective agency. I have no choice, then, but to withhold my approval from Assembly Bill No. 102 (1968).

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 252

STATEMENT

I am filing Assembly Bill No. 252 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Assembly Bill No. 252 (1968) would authorize the courts to impose a collection fee of not more than 50 cents for each installment collected under any judgment or order for payment of alimony or support to be collected by county probation officers. The fees collected would accrue to the county.

While the desire to enable county governments to recover some of the costs of collection of support orders is understandable, there are three considerations which lead me to withhold approval from this bill.

First, although the amount of each fee is small, the cumulative effect may nevertheless be to place an additional burden on those who can least afford to bear such costs. There is no assurance that the fees will not, in effect, be subtracted from the amount being forwarded to the support recipient. Indeed, whenever the amount of a support order is set at the maximum which the person paying is able to afford, then any fee would inevitably be raised at the expense of the person receiving the support.

It is also likely that the fees would fall proportionately most heavily on those making the smallest payments, who generally cannot afford larger payments. In most cases in which a fee is imposed, the amount of the fee probably would be set at the 50 cent maximum, since smaller amounts would hardly justify the bookkeeping expense involved. Thus, the poor man making a $10 payment would probably

be ordered to pay the same 50 cent fee as would a more prosperous man who was making a $100 payment. The probability is very great that the fees would be strongly regressive.

Second, probation officers are already overburdened with clerical duties which detract from their principal functions. The additional revenue which might be raised under this bill probably would not significantly exceed the actual costs of the increased bookkeeping and paperwork which would be generated by these small collection fees.

Third, although the imposition of collection fees would be discretionary with each judge, no legislative guidelines or standards are provided to help insure a minimal degree of uniformity or to indicate the considerations which the Legislature intends for the courts to take into account in ordering such collection fees.

The net results of this bill would be to raise relatively small amounts of revenue for the county treasuries at the expense at least in part, of some support recipients whose finances are already stretched to the breaking point.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 259

STATEMENT

I am filing Assembly Bill No. 259 in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Assembly Bill No. 259 would provide a special procedure for creating a power of attorney over small property interests when the principal desires to do so in anticipation of approaching infirmity resulting from old age, disease, injury, or a similar cause. I strongly approve of the underlying purposes of this legislation.

However, the Consultors of the Real Property, Probate and Trust Law Section of the New Jersey Bar Association and others who have special knowledge in this field have pointed out that the procedures required under the bill are in some respects unnecessarily cumbersome and that other features might result in injecting confusion into the law applicable to powers of attorney.

I have withheld approval of this bill in the hope that new legislation containing appropriate modifications to overcome these objections can be formulated. Without such modifications, this bill could well add to the complexities of procedures which it was intended to simplify.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 6, 1969.

ASSEMBLY BILL NO. 281

STATEMENT

I am filing Assembly Bill No. 281 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would shorten the probationary period for obtaining tenure for teachers transferring into one school

district from another school district where they have achieved tenure. The basic purpose of the bill, to facilitate mobility among teachers and to recognize the higher capabilities of experienced teachers, is sound. A two-year, rather than a three-year, probationary period for formerly tenured teachers should give boards of education sufficient time to evaluate transferring teachers. A period less than this, however, would not allow the boards adequate time to determine the suitability of the transferring teacher for the unique requirements of the new school district. Section 1(d) would allow boards of education to shorten or abolish altogether this probationary period, for all transferring teachers, or for any individual teacher. Because competition for experienced teachers is keen among school districts, many boards of education might find themselves having to offer permanent positions to teachers without any real opportunity for evaluating their adjustment to the new school system. For this reason, I have decided not to sign the bill.

As stated above, I am sympathetic to the basic purpose and provisions of the bill. If a similar measure deleting Section 1(d) should pass the Legislature during the current session, it would receive my prompt and favorable consideration.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 291 (1968)

STATEMENT

I am filing Assembly Bill No. 291 (1968) in the State Library without my approval.

Article V, Section I, paragraph 14(b) of the Constitution establishes this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the

adjournment sine die of the Legislature. In such circumstances there is no provision for a veto message, but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

This bill would permit municipal appointing authorities to prescribe more stringent educational standards for classified positions than those established by the Civil Service Commission.

I cannot concur in the principle inherent in this bill.

Uniform qualifying and performance standards consitute the very foundation of an effective public merit system. This bill would relegate the standards promulgated and enforced by the Civil Service Commission to the status of minimum standards below which local service cannot fall. Yet those standards are clearly designed to assure the opportunity for public employment to all those capable of performing required duties. Discretionary authority to change these standards, by rendering them either more or less restrictive, is the authority to deny that opportunity arbitrarily.

If, in fact, it is established that general standards are insufficient to assure the acceptable performance of certain duties, then more rigid standards should be adopted for all authorities making appointment to that position. The remedy for over-liberal standards is to revise the position title and its specifications or to create a new title with appropriate specifications reflecting the necessity for greater preparation. The Civil Service Commission has ample authority to effect these revisions and to implement them throughout the entire Civil Service system. The principle inherent in this bill, that of permitting individual appointing authorities to judge independently the propriety of specific educational standards, is fundamentally contrary to the Civil Service system and cannot be approved.

The inflexible system provided in this bill constitutes a defect in mechanics as well as the defect in principle noted above. Confusion must necessarily follow enactment of a requirement "that once having been established [higher standards] thereafter must not be lowered." It is generally accepted that formal education involving the award of a degree or diploma is not the exclusive source of competence. Experience too can serve to qualify the potential public servant. However, this bill would appear to deny

him opportunity to compete for any position selected for special treatment by local government.

For the above reasons, Assembly Bill No. 291 (1968) is filed in the State Library without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 302

STATEMENT

I am filing Assembly Bill No. 302 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Assembly Bill No. 302 (1968) would extend to 5 years the present 3-year limit on temporary financing by a school district in anticipation of the issuance of permanent bonds. It would require that if the temporary financing is renewed beyond 3 years, then an amount of such temporary obligations equal to the first legally payable installment of the bonds in anticipation of which the temporary obligations were issued must be paid and retired in each subsequent year.

Experts in public debt management overwhelmingly believe that further extension of temporary financing would be a regrettable step backward. During the early 1930's when temporary financing by municipalities was permitted for a 5-year period, many municipalities found they could not permanently fund short term paper and numerous defaults resulted. The corrective legislation which was there-

after enacted included reduced limits on the periods for which school districts and municipalities could engage in temporary financing.

Historically, school districts have always tended to take the maximum period allowed by statute for temporary financing. If school districts were permitted to extend the present 3-year period to 5 years, and municipalities were permitted—as proposed by Assembly Bill No. 650 (1968)—to increase from 2 years to 5 years of temporary financing, the resulting increase in the supply of temporary paper would tend to increase still further the interest rates on these temporary obligations.

The only valid reason for extension of the period for temporary financing would be an assumption that lower interest rates will become available for the permanent bond issues during the extended period. The bond market currently is very unfavorable and rates of interest are high. But there is no assurance that conditions will improve during the next two years. Indeed, the possibility of changes in federal tax laws which would have the effect of removing some of the advantages of tax-exempt bonds could make the market for such bonds even less attractive two years from now. In 1966, a similar proposal for extension of temporary school district financing from 3 to 5 years received strong support from some who hoped that the then high rates of interest would drop during the next 2 years. Instead, the trend of rising rates continued. If a 2-year extension had been enacted in 1966, those school districts which took advantage of the extension would have faced even higher costs in 1968. The estimated increased cost which would probably have resulted would have run as high as an additional $2,126,250 on one Jersey City school bond issue of $15,000,000.

If there were indications that the bond market is likely to improve within the next year or two, I would certainly consider a *temporary* extension for those districts where the 3 year limitation is about to expire. Unfortunately, however, such encouraging signs are not now in sight. In no event do I believe that a *permanent* change from a 3- to a 5-year period would be justified.

However, I would look favorably on some more minor adjustments in the limitations on temporary financing. One such change would be to provide that the 3-year period

would not begin to run until a certain percentage, such as 5 per cent, of the total amount of the bond issue had been borrowed through temporary financing. At present, the first moneys borrowed triggered the 3-year limit even though in many cases the first notes represent only a small fraction of the total amount. For instance, in a $3 million bond issue the first short term borrowing might be only $100,000 for architect fees, land acquisition, etc. A formula could be devised whereby a certain percentage of the total amount would have to be borrowed in order to start the running of the present 3-year limitation. This would result in an extension of short-term financing under certain limited conditions.

My staff and I stand ready to cooperate fully with the Legislature in devising reasonable adjustments of this sort. However, I am convinced that the blanket extension of temporary financing which would be allowed by this bill and by Assembly Bill No. 650 (1968) would not be in the public interest.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL NO. 549

STATEMENT

I am filing Assembly Bill No. 549 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 549 would have supplemented Title 45 of the New Jersey Revised Statutes to provide that the

solicitation of patients or advertising by any person "licensed to diagnose or treat human illness or deformities" shall be a disorderly persons offense. In addition, Assembly Bill No. 549 (1968) would prohibit any agency or association from soliciting patients through "any advertising medium" on behalf of any person "licensed to diagnose or treat human illness or deformities." If approved by me, violations of the bill would be punishable by imprisonment for not more than six months, or by a fine of not more than $500.00, or both.

My review of this bill leads me to conclude that it suffers defects of draftsmanship and policy which mandate my disapproval. For example, section one of Assembly Bill No. 549 (1968) does not adequately define the term "person licensed to diagnose or treat human illness or deformities". The term "person licensed to diagnose or treat human illness or deformities" does not appear in any of the chapters of Title 45 of the Revised Statutes which provide for the licensing of medical and para-medical practitioners. In a similar vein, I am constrained to note that the terms "advertising" or "advertising medium" are not defined at all by the provisions of Assembly Bill No. 549 (1968). Although each of us might well have some notion as to what is implied by the use of those terms, surely a more specific definition ought to be required as a pre-condition to possible imprisonment. For example, section two of Assembly Bill No. 549 (1968) could conceivably be applied to curtail the efforts of the American Heart Association or the American Cancer Society to disseminate information. Although such a construction is surely not to be desired, it would clearly be permissible under Assembly Bill No. 549 (1968) as it is presently drawn. Errors of draftsmanship such as I have noted here must be corrected before I could approve this bill.

It should also be noted at this point that it has been argued that Assembly Bill No. 549 (1968) is unconstitutional as a vague and overly-broad infringement upon the "breathing space" enjoyed by the First Amendment right of free speech. This line of argument postulates advertising as constitutionally protected expression, and concludes that Assembly Bill No. 549 (1968) not only is "void for vagueness" but also could have been drawn more narrowly. For the reasons stated above, however—reasons which I find fatal—I find it unnecessary to reach these two constitutional questions.

There are far more serious implications, however, which the Legislature should consider in re-enacting a better drafted bill. There can be no doubt whatsoever that there is a proper role to be played by the State in setting standards for professional practice which will protect the health services consumer from physical or economic harm. But there is a question whether the State should interfere in professional disputes which have no bearing on the health and safety of its citizens. Questions such as this and many others besides, have led me to call elsewhere for a review of professional and occupational licensing. I would be somewhat reluctant to approve Assembly Bill No. 549 (1968) without the benefit of the findings of that review even if this bill presented no problems of interpretation or constitutionality.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 566

STATEMENT

I am filing Assembly Bill No. 566 (1968) in the State Library without my approval.

Article V, Section I, Paragraph 14(b) of the Constitution establishes this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In such circumstances there is no provision for a veto message, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would permit the compromise of any claim brought or threatened either by an employee or the State of New Jersey to enforce our wage and hour law provided only that "there exists a bona fide dispute as to the amount payable," and that the compromise be based on an hourly wage rate at least as great as the applicable minimum under the act.

Under this bill an employer confronted with threatened or actual prosecution for violation of the wage and hour law, could readily circumvent the act by the simple expedient of interposing a dispute as to the amount payable. There being no proceeding available to guarantee the bona fides of that dispute, the employer and the employee could thereupon proceed to compromise the claim and void the legal cause of action without supervision, guidance or review. In effect, the private parties are left completely to their own devices to effect settlement of the claim and the possibility of coercion by either party to force a settlement exists.

The essential function of our wage and hour law, and indeed all legislation regulating employment and labor, is to reduce to a minimum inequities flowing from unequal bargaining positions between the employer and employee. The protection afforded by this law benefits both management and labor in assuring that neither party, through size or power, could force the other to accept an unfair bargain. Yet this bill apparently restores the prospect of unequal bargaining beyond the protection of State law.

If this be the intent of this legislation, it cannot be approved. Such provision, if utilized to circumvent the wage and hour law, would, in effect, destroy that law and return us to the middle ages of labor-management relations.

If, however, such is not the intent of the act, then it must surely be revised. It may well be that delays in the prosecution of wage and hour claims, according to the strict procedure mandated by the act, effect inequities and deprive for periods longer than necessary the wronged employee of his just wages. Private compromise, however, is no remedy. If compromise in some form be an appropriate remedy, then the existence of a factual dispute and the computation of the wages owing must be certified by an objective and authoritative third party in order to assure the continuing viability of our wage and hour law.

For the above reasons, A-566 is filed in the State Library without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 650 (1968)

STATEMENT

I am filing Assembly Bill No. 650 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

This bill would extend to 5 years the present 2-year limit on temporary financing by a municipality in anticipation of the issuance of permanent bonds.

My reasons for withholding approval of this bill are similar to those set forth in my statement accompanying the filing of Assembly Bill No. 302 (1968). In addition, it should be pointed out that the subject of this bill was considered in detail in 1961 by the Title 40 Law Revision Commission, which recommended retention of the 2-year limit. A minor relaxation was finally adopted which allows temporary notes to run until the following May 1 provided an amount equal to the first installment on the bond issue has been raised by budget appropriation.

The credit of New Jersey municipalities has been immensely improved during the three decades since the cash basis laws were enacted. The improved control of local financing has resulted in immense savings to the taxpayers of New Jersey as a result of improved credit ratings. Adoption of this bill would mark a regrettable step backward.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 6, 1969.

ASSEMBLY BILL NO. 741 (1968)

STATEMENT

I am filing Assembly Bill No. 741 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 741 purports to do two things. First, it adds the United States Coast Guard Reserve to those military forces which are entitled to a leave of absence with pay from state and municipal government for training. This addition presents no difficulty. Second, the bill changes the phrase used in the pertinent section of the statutes from "field training" to "active duty or active duty for training". Here it is the intention of the sponsors to treat the Reserves in the same manner as the National Guard. However, this is an inappropriate method of proceeding. The phrases "active duty" and "active duty for training" are defined in the case of National Guard forces, to apply only to the 2-week "summer camp" training period and to a state emergency in which the National Guard is called up by the Governor. It should be pointed out that there is no provision for a leave of absence with pay when the National Guard is "federalized" and called into Federal service. Consequently, it is reasonable to assume that the intention behind this provision in the treatment of the National Guard is to insure that when New Jersey citizens are called up on the state's business, that state and municipal employees should not be penalized by an action of their own employer.

There is no comparable situation as regards the Federal Reserve forces. They are presently entitled to the leave of absence with pay conferred to National Guard personnel for the 2-week summer camp training. This is the meaning of the phrase "field training" presently in the statute. This

bill would change the law to allow for a leave with pay when state or local employees were on "active duty". Thus, for instance a person entering the Army 6-month reserve training program would be eligible for up to 90 days of leave with pay. Similarly, in the event of a national emergency, if the Reserves were called up along with the National Guard, we would have the anomaly existing in which those in the Reserve would be entitled to a leave with pay, while those in the National Guard would not. I believe this is clearly not the intention of the sponsors.

Furthermore, I believe that it would be unwise to provide for a leave of absence with pay in the case of a federal emergency. In such cases, the Federal government should bear the full cost of the mobilization as a national defense expenditure. New Jersey should not be expected to provide an additional contribution. It should be pointed out that there are approximately 1,300 state employees in reserve components which could be called to "active duty". While it is impossible to project the exact cost (since not all units might be called at the same time nor for the same period), conceivably, the annual cost to the state would be somewhat over $3 million, and to local government, somewhat in excess of $9 million, if all state and local employees were mobilized by a federal emergency. Under the circumstances, I can only file this bill without my approval.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 6, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 747 (1968)

STATEMENT

I am filing Assembly Bill No. 747 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted,

following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly No. 747 (1968) addresses itself to a very critical problem. We have in our State large areas which have been found blighted and in which no subsequent redevelopment has taken place. The end result is the increased deterioration of these areas — due to an unwillingness of investors and homeowners to maintain properties which may subsequently be demolished — which has, in fact added to the spread of blight, in direct contradiction to the original intent of the law.

This bill proposes to remedy that situation by requiring, prior to the determination of blight, the preparation of a redevelopment plan. In effect, a municipality is required to determine what it will do about blight before it can find that it exists.

The mechanism in Assembly Bill No. 747, however, is defective and could be self-defeating. As the bill now reads, "if a majority of the membership of the governing body or planning board, favors a determination that the area . . . is a blighted area . . . said governing body, or said planning board, as the case may be, shall prepare or cause to be prepared, a plan for the redevelopment in [*sic*] the area" (Assembly Bill No. 747, Section 1, lines 11 to 16). It would appear preferable that the redevelopment plan be prepared prior to the hearing on the question of blight. As a practical matter, there is presently rarely a finding of blight, unless an urban renewal project is proposed for a blighted area. Consequently, it is not unreasonable to require that the redevelopment plan be prepared *prior* to the hearings on blight.

Otherwise, as the bill now stands, there would be a delay in the determination of blight between the time at which the majority of the governing body "favors a determination that the area . . . is a blighted area" and the submission of a redevelopment plan. Since the preparation of the plan could take six months or longer, during that interim exactly the same defects that the bill seeks to remedy would occur. Property would be run-down, tenants would leave their homes, and maintenance would be neglected, since, as far as the public is concerned, for all intents and purposes, a determination of blight has been made.

Second, the definition of "redevelopment plan" presently in the statutes does not include the preparation of plans for the relocation of persons to be displaced [NJSA 40:55C–5(m); NJSA 40:55C–32; and NJSA 55:14A–51]. Rather, it is only in the provision requiring review by the governing body of the redevelopment plan that the governing body must make a determination regarding the permanent and temporary relocation of persons displaced [NJSA 40:55C–17 and NJSA 55:14A–40]. Therefore, preparation of a redevelopment plan under State law does not require preparation of a relocation plan — despite the fact that the municipality must make a finding as to the feasibility of relocation. The only state requirement for a relocation plan is pursuant to the Relocation Assistance Law [P.L. 1967, c. 79; NJSA 52:31B–1 *et seq.*]. Therefore, if it is the intention of the sponsor to require that relocation be one of the considerations to be taken into account prior to the determination of blight, the Relocation Assistance Law should be amended to require the preparation of a relocation plan concurrently with the redevelopment plan and prior to the declaration of blight, or the language of Assembly Bill No. A-747 amended to require prior submission of a relocation program in compliance with the Relocation Assistance Law.

Finally, it is unclear from the present language of the bill exactly what is meant by the requirement that a majority of the membership "favor a determination". It should be specified that if a redevelopment plan is not before the governing body or planning board, it should adjourn until a redevelopment plan is before it, as may be done pursuant to NJSA 40:55–21.6.

I would add that I am in favor of the conception underlying Assembly Bill No. 747, and am prepared to sign a bill incorporating the changes I have suggested. In the end, we must recognize that the only real solution for the problem at which Assembly Bill No. 747 is directed, is aggressive housing inspection and rapid construction of new housing for persons displaced by all public takings. In the meantime, however, legislation of this type would represent a considerable advance over present practices.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL No. 794 (1968)

STATEMENT

I am filing Assembly Bill No. 794 (1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Assembly Bill No. 794 (1968) would allow a volunteer fireman assigned as a fire policeman to display not more than two flashing red or blue fire police lights on any personal motor vehicle registered in his name. The fire police lights authorized by Assembly Bill No. 794 (1968) could only be operated when the volunteer fireman uses his personal motor vehicle to answer a fire or emergency call.

It should be noted at this point that in 1965 a bill similar to this one — Senate Bill No. 212 (1965) — passed both houses of the Legislature. That bill would have authorized a volunter fireman to display and use one flashing light on his personal motor vehicle when he is performing fire or emergency duty. My message accompanying Senate Bill No. 212 (1965) — which I returned to the Legislature on November 29, 1965 — contained the following statement:

> "The present law limits the use of flashing or turret light equipment to official emergency vehicles. This is based upon the concept that the effective use of this equipment, as a means of assuring the rapid passage of official emergency vehicles on our streets and roads, is directly related to the number of vehicles authorized to use this equipment. A wide-spread use of flashing or turret lights would only increase traffic chaos and impede the movement of official emergency vehicles.

"Senate Bill No. 212, by permitting each individual volunteer fireman to use such equipment, would drastically increase the number of vehicles authorized to use flashing or turret lights. It could also be used as a precedent by other groups of equal stature who are seeking the use of such equipment.

"Undeniably, volunter fire companies perform many services throughout the State. I concur with those who would assist the members of these companies in the performance of their services. After a consideration of the objections raised to this bill by numerous traffic safety groups, the State Patrolmen's Benevolent Association, the State Firemen's Mutual Benevolent Association and others, however, it would appear that the possible benefits of this bill are outweighed by the detrimental effect these additional flashing or turret lights would have on the traffic in our streets."

As should be obvious, Assembly Bill No. 794 (1968) would compound the error of Senate Bill No. 212 (1965) by authorizing volunter firemen to use twice as many lights.

I have been presented no information which leads me to believe that the conclusion that I drew in 1965 has been proven incorrect. Accordingly, I must withhold my approval from Assembly Bill No. 794 (1968).

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
June 27, 1969.

SENATE BILL No. 813

To the Senate:

Pursuant to Article V, Section I, paragraph 15 of the Constitution, I am appending to Senate Bill No. 813 at the time of signing it, this statement of the items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

On page 1:

"230-100. DIVISION OF PURCHASE AND PROPERTY

"John McShain, Inc., for Stewart Iron Works, Inc., c/o McCarter and English, 550 Broad Street, Newark, N. J., for losses incurred by Stewart Iron Works, Inc., in the construction of the Youth Reception and Correction Center, Yardville, N. J.	$112,718.19	
Plus interest at 3%	3,381.55	
Total		116,099.74"

This item is deleted in its entirety.

On page 2:

"610-100. DIVISION OF MAINTENANCE AND EQUIPMENT

"Michael Costa, c/o Mrs. Joyce Costa, 360 Valley road, West Orange, N. J., for injury to his left leg as the result of a fall on property owned by the Department of Transportation, payable from funds appropriated to the department, $1,550.00."

This item is deleted in its entirety.

On page 2:

"612-100. CONSTRUCTION OF STATE HIGHWAY SYSTEM

"Brookfield Construction Company, 521 Fifth avenue, New York, N. Y., c/o Thomas C. Mitchell, 11 Patton drive, East Brunswick, N. J., for losses incurred in the construction of Route 80, section 5-S, Bergen County, N. J., to be paid from funds appropriated for the construction of		
State Highway System	$207,706.45	
Plus interest at 3%	6,231.19	
Total		$213,937.64

This item is deleted in its entirety.

"P. T. & L. Construction Co., 500 Route 17, Paramus, N. J., for liquidated damages in the construction of Route 80, section 4G in the county of Bergen-Passaic, to be paid from funds appropriated for the construction of State Highway System		$110,360.64
"State Paving and Construction Company, for Rickert Nurseries, Landscape Division, c/o George H. Bohlinger, Esquire, 28 West State Street, Trenton, N. J., for losses incurred by Rickert Nurseries, Landscape Division in landscaping Route 29 (Freeway), Trenton, N. J., to be paid from funds appropriated for the construc-		
tion of State Highway System	$13,495.19	
Plus interest at 3%	404.86	
Total		$13,900.05
"Yonkers Contracting Co., Inc., 969 Midland Avenue, Yonkers, N. Y., for liquidated damages in the construction of Route 80, section 1B and 2L, to be paid from funds appropriated for the construction of State Highway System	$73,224.80."	

These items are deleted in their entirety.

Senate Bill No. 813 is a supplemental appropriations bill for the fiscal year ending June 30, 1969. If approved, Senate Bill No. 813 would authorize the satisfaction of twenty-two claims filed against the State of New Jersey, some of which have been vigorously opposed and contested by the State administrative agency involved.

I have decided, for the reasons stated herein, to delete entirely the contested claims from Senate Bill No. 813, which I have signed today. I wish to make it absolutely clear that my action is in no way a determination of the merits of these claims. From the record presented to me, it would have been absolutely impossible to make such a determination. Indeed, it is my desire that no prejudice whatsoever should attach to the rights of the claimants to present their claims again, either before a new forum or once again to appropriations subcommittee.

I have previously urged you, in my message of January 14, 1969, concerning Senate Bill No. 892 (1968), to undertake a reformation of existing claims procedures. In that message I suggested that a minimal augmentation of the present procedures — in lieu of a sweeping change in the entire system — should include the following items:

(1) Equitable ground rules should be established in advance and made readily available to the parties;

(2) At least a majority of the members of a subcommittee on claims should actually *hear* the claims presented to the subcommittee;

(3) Subcommittee conclusions should contain complete findings of fact in regard to fault or indebtedness on the part of the State and the extent of compensable losses occasioned thereby, or some similar recitation of the basis upon which a claim is denied or reduced;

(4) Claimants, state agencies involved, and all members of the Legislature should be served with copies of the report of the claims subcommittee; and

(5) Each contested claim approved by the subcommittee and the full joint appropriations committee should be presented to the full Legislature as a separate supplemental appropriations bill, so that the vote of each legislator may be recorded with respect to each claim.

As I have said in the past, these reforms are the essential minimum to insure an adequate and equitable consideration of contested claims by the Legislature and by the Governor. At present, information presented to the Legislature prior to consideration of claims is so cursory that a number of legislators have informed me that they did not even realize that any of the claims included were contested.

I am not unaware of the heavy burden that thorough adjudication of these claims would place on the Legislature, particularly on the members of the claims subcommittee, but I do feel that change in this procedure is necessary, in fact, essential. Since the Legislature has not seen fit to act on my suggestions for reform in its own procedure, I am prepared to recommend and support a new approach, namely, that the Legislature consider eliminating the doctrine of sovereign immunity as a bar to claims against the State based on contractual liability. It seems to me that removal of these contractual claims to the courts would guarantee a fair adjudication to both parties and, most importantly, to the citizens of the State.

The courts of this State have carved significant exceptions to previously held rigid notions of sovereign immunity and are increasingly reluctant to accept the doctrine as an absolute bar to litigation against the State. As recently as 1967, Chief Justice Weintraub commented as follows: "Suffice it to say that today courts are disposed to hear an action against the State unless good reason stands in the way." *O'Neill v. State Highway Department*, 50 N. J. 307, 315 (1967). The reason for this disposition of our courts may be found in the potential for unintentional abuse and injustice that inheres in every claim of sovereign immunity as a bar to litigation. Thus, the Appellate Division stated in *Interstate Wrecking Co., Inc. v. Palisades Interstate Park Commission*, 103 N. J. Super. 394, 405 (App. Div., 1968):

> "The State should not be able to shield itself from liability arising in an ordinary business transaction with one of its instrumentalities by invoking the immunity doctrine. To do so would mean that anyone doing business with any such instrumentality would be doing so at their peril."

A proposal to abolish the doctrine of sovereign immunity in respect to contractual liability is embodied in Assembly Bill No. 821 introduced into the present session with bi-

partisan support. With a few minor changes I could support this legislation and I would urge the appropriate legislative committee to give it public hearings and serious consideration. If the concept of this bill were adopted, the forum to which claimants and the State would then have recourse would be the courts of our State-honored and time-tested "triers of facts." Neither taxpayer, nor claimant, nor the State would have serious ground to challenge the objectivity of the impartial fact-finding of our courts.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL No. 297 (1969)

STATEMENT

I am filing Senate Bill No. 297 (1969) in the State Library without my approval.

Under the provisions of Article V, Section I, Paragraph 14 (b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 297 authorizes any county park commission operating pursuant to R. S. 40:37–96 to 174 in a county of the second class and having a population in excess of 500,000 persons (Union) to sell a tract of parkland not exceeding two acres and no longer usable for park purposes at public sale, whenever such land has been severed from the main body of the park as a result of the construction of a county or state highway.

This legislation represents a sensible means of disposing of parklands no longer usable for park purposes. As the law presently stands, such surplus land can only be sold to other public agencies. While public sale should be authorized in such cases, I do feel that Senate Bill No. 297 ought to be amended to require that a "right of first refusal" be given to such public agencies prior to making the land available for public sale.

However, Senate Bill No. 297 is in violation of the provisions of the State Constitution prohibiting special legislation governing the internal affairs of our counties and municipalities. In particular, there is no apparent reason why the bill should not be applicable to any county park commission anywhere in the State. At the very least, it would appear that all counties of the second class, not solely those with a population in excess of 500,000 persons, should benefit from this legislation, N. J. Const., Art. IV, Sec. VII, Par. 9.

I am therefore constrained to file this bill in the State Library without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL No 592 (1969)

STATEMENT

I am filing Senate Bill No. 592 (1969) in the State Library without my approval.

Under the provisions of Article V, Section I, Paragraph 14 (b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto,

but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 592 would allow any county of the second class with a population of not less than 225,000 and not more than 265,000, according to the 1960 census, to make increases in the pension benefits payable to reflect an increase in the cost of living.

There are several objections to this legislation. First, it sets no limits as to the percentage of increase to be granted to such retired employees or their dependents. As indicated in my veto message accompanying Assembly Bill No. 16, this could have sizable repercussions with regard to other pension systems.

Moreover, this legislation is also clearly in violation of N. J. Const., Art. IV, Sec. VII, Pars. 9 (5) and (13), which prohibits special or local legislation regulating the internal affairs of municipalities to increase the tenure or emoluments of public employees.

I am, therefore, constrained to file this bill in the State Library without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL No. 670 (1969)

STATEMENT

I am filing Senate Bill No. 670 (1969) in the State Library without my approval.

Under the provisions of Article V, Section I, Paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legisla-

ture. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 670 authorizes a shift of cost of operating county vocational schools in counties of the third, fourth, and fifth class from the county board of chosen freeholders to the sending districts.

Senate Bill No. 670 is special legislation in violation of N. J. Const., Art. IV, Sec. VII, par. 9(13). This legislation provides a method of financing for certain counties, which perhaps after a careful study, should be made applicable to all counties. I am constrained to withhold my approval from this bill without a further showing that the legislation is specifically necessary for the counties enumerated herein, and unnecessary for the other counties of this State.

For these reasons, I feel impelled to file Senate Bill No. 670 in the State Library without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL No. 696 (1969)

STATEMENT

I am filing Senate Bill No. 696 (1969) in the State Library without my approval.

Under the provisions of Article V, Section I, Paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 696 would authorize any city of the second class which has adopted a charter, pursuant to the Optional Municipal Charter Law and which has a population of not less than 20,000 nor more than 30,000 inhabitants to dissolve its redevelopment agency and assume its obligations. Redevelopment agencies created pursuant to P. L. 1949, c. 306, are responsible for urban renewal. There are presently 19 such agencies throughout the State.

Senate Bill No. 696 is special legislation in violation of N. J. Const., Art. IV, Sec. VII, Par. 9(13). There is no reason apparent to me why redevelopment agencies located in other municipalities should not be subjected to the same powers of dissolution as are contained in this bill. However, any such legislation should be drafted with sufficient safeguards both to the municipality in question and to the bondholders, *Paterson v. Housing Authority*, 96 N. J. Super. 394 (1967). It is not apparent that aside from the constitutional objection raised herein, that Senate Bill No. 696 has fully resolved the problems indicated in the *Paterson* case.

For these reasons, I feel constrained to file Senate Bill No. 696 in the State Library without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL NO. 738 (1969)

STATEMENT

I am filing Senate Bill No. 738 (1969) in the State Library without my approval.

Under the provisions of Article V, Section I, Paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legisla-

ture. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 738 would amend Section 23:4–45 of the Revised Statutes which prohibits the use of illuminating devices by anyone having in his possession a firearm in any area where deer are found. S-738 would extend the prohibited use of illuminating devices to any other person who "casts the rays" of any such device in deer crossing areas between the hours of midnight and daylight of the morning following.

Although this bill is intended to discourage spotting deer even where there is no risk of gun fire, its terms are broad and vague enough to allow for the prosecution under it of innocent individuals walking the road at night with a flashlight or merely driving through deer crossing areas with their headlights illuminating the fields or woods.

The penalties for violation of any provisions of Sec. 23:4 have recently been amended to impose a fine of at least $100 and not more than $300 for a first offense and $300 to $500 for second or subsequent offenses. With these significant penalties able to be imposed, the vague language of Senate Bill No. 738 raises constitutional questions as to its validity.

For these reasons, I feel constrained to file this bill without my approval in the State Library.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL NO. 745 (1969)

STATEMENT

I am filing Senate Bill No. 745 (1969) in the State Library without my approval.

Under the provisions of Article V, Section I, Paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances, there is no provision for a veto, but I deem it to be in the public interest to state my reasons for deciding not to sign the bill.

Senate Bill No. 745 is intended to clarify circumstances under which the two alternate members of a zoning board of adjustment may participate in a decision of the board. Presently, such members may serve in rotation and participate during either the (a) absence, or (b) disqualification of any legal member. Senate Bill No. 745 does not indicate any order of participation. It also indicates that an alternate member may participate in a decision of the board if [a] "*during* the hearing, a member leaves for any reason or [b] is disqualified or [c] fails to attend a subsequent hearing in the same case" (emphasis added).

This would appear to have the unintended effect of disqualifying an alternate member from participating, as he presently may, if a regular member is merely absent. Senate Bill No. 745 would require that a member come to a meeting and then leave.

In addition, failure to specify, as does present law, which alternate member shall serve during a particular meeting would, in effect, allow the chairman of the board to designate which member he chooses to authorize to vote. The chairman could then select the alternate which agrees with his position on any given matter. Surely, this is not a power which the sponsors of this legislation intended to vest in the chairman of the zoning board.

For these reasons, I feel constrained to file this bill without my approval in the State Library, and urge correction of what is clearly nothing more than a drafting error.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 44

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 44, with my objections, for reconsideration.

Senate Bill No. 44 would allow a municipal utilities authority to charge, in addition to the usual service charges, a connection or "tapping" fee when new service is provided to any property. The bill provides further that the charges "shall be uniform within each class of users", but that the amount of the charges shall be "entirely within the discretion of the authority". Similar language was approved by me last year with regard to sewerage authorities (which are different from municipal utilities authorities, although both are financed by revenue bonds and neither are public utilities) in P. L. 1968, c. 317. A close review of the law in this area has recently been undertaken in connection with the Water Pollution Bond Issue. It has brought to light factors which make me believe that this bill should be modified and that P. L. 1968, c. 317 should be amended.

It must first be noted that both sewerage authorities, under NJSA 40:14A–1 *et seq.*, and municipal utilities authorities, under NJSA 40:14B–1 *et seq.*, are excluded from the regulation of the Public Utilities Commission by statute, NJSA 40:14A–35 and NJSA 40:14B–68. There is, of course, review by the courts of decisions by such authorities which might be arbitrary, see *Kline v. Bellmawr Sewerage Authority*, 55 N. J. Super. 153 (1959), aff'd. *per curiam sub nom*, *Landy v. Bellmawr Sewerage Authority*, 61 N. J. Super. 396 (App. Div. 1960). Moreover, in certain cases municipal utilities and authorities operating beyond municipal boundaries are subjected to the regulation of the Public Utilities Commission, *In re Morris Township*, 49 N. J. 194 (1967).

My problem with Senate Bill No. 44, and with P. L. 1968, c. 317 on further reflection, is that the discretion afforded

the authority to set fees "entirely within the discretion of the authority" is too broad.

As in the case of P. L. 1968, c. 317, where the threat of abuse is small and the issue narrow, I have preferred to err on the side of getting the job done; of building to meet our citizens needs. When one is dealing with "connection fees" and "small" issues, it is difficult to raise the broader issues related to the question of public control of public bodies. Yet, it is a problem we must face.

Certainly, as here, when authorities of this type are not subject to the electorate, as is the case when a municipality levies a special assessment or creates a special taxing district, their actions should be limited by clear standards which the courts may interpret consistently with their concern for the fair treatment of our citizens. This is the minimum safeguard we should provide. Senate Bill No. 44 does not provide the safeguards of clear statutory standard.

Therefore, I do respectfully recommend changes in Senate Bill No. 44, which should also be made in P. L. 1968, c. 317, which would limit any such connection fees to the actual cost of the connection, and require that the fee be computed so as to be uniform throughout the district for the same type, class and amount of use or service provided.

Page 2 Section l, Lines 43 to 44:

Delete "shall otherwise be entirely within the discretion of the authority", and insert in lieu thereof "shall not exceed the cost of installation of necessary physical properties, including costs necessary and incidental thereto, and shall be uniform throughout the district for the same type, class and amount of service and determined by the authority"

I would also urge the Legislature to consider in future instances whether authorities of this type should not be subject to the jurisdiction of the Public Utilities Commission in their rate setting and other functions. I consider that problem beyond the narrow scope of this bill. So are the larger questions to which I refer. I will make my views on these questions known shortly through a more appropriate vehicle.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO 61

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 61, with my objections, for reconsideration.

Senate Bill No. 61 would amend the Workmen's Compensation Act to provide that appeals from judgments rendered in the Division of Workmen's Compensation shall be taken to the Appellate Division of the Superior Court, instead of to the County Court as presently provided by law. In addition, S-61 would authorize the Appellate Division to award a reasonable attorney's fee to the party who prevails on any such appeal. Futhermore, this bill would amend other provisions of law which provide for the entrance, docketing and enforcement of judgments rendered on such appeals.

As noted above, present law provides that appeals from judgments rendered in the Division of Workmen's Compensation shall be taken to the County Court. However, present law also provides judgments of any County Court on such appeals may be appealed further to the Appellate Division. Since Senate Bill No. 61 would end this duplicative appeal process, I am generally supportive of the purpose of the bill. Nevertheless, four objections to the present version of the bill lead me to suggest that it be amended as suggested below.

First, Section 1 of S-61 amends Section 34:15–66 of the Revised Statutes to provide that appeals from workmen's compensation judgments may be made ". . . by filing in duplicate with the secretary of the Division of Workmen's Compensation, a Notice of Appeal within 45 days of the filing of the judgment with the secretary of the division in Trenton." Since the Division of Workmen's Compensation is not a court, S-61 would present an unusual situation—an appeal could be instituted in the courts without a single legal document having been filed in the courts. Accordingly, and consistent with other comparable pro-

visions of law authorizing appeals, Section 1 of S-61 should be revised to provide that an appeal is taken from the Division of Workmen's Compensation to the Appellate Division of the Superior Court in accordance with the rules of court.

Second, Section 1 of S-61 would also amend Section 34:15–66 of the Revised Statutes to provide that the Appellate Division, when hearing any appeal from the Division of Workmen's Compensation, may ". . . allow a reasonable attorney's fee to the prevailing party on appeal for his services in the Appellate Division of the Superior Court, the Supreme Court of New Jersey and any Federal Court." I am concerned that this proposed amendment may discourage injured employees from appealing judgments of compensation because such an appellant, should he lose his appeal, may have to pay the reasonable attorney's fee of the respondent. I see little reason to saddle an employee-appellant with this added burden merely because the law and facts do not sustain his contentions on appeal. Moreover, it would seem most inappropriate to authorize the Appellate Division to allow a counsel fee for services subsequently rendered in our Supreme Court or in any Federal Court. I have suggested below amendments which will correct these mistakes of draftsmanship.

Third, Sections 2 and 3 of Senate Bill No. 61 would amend the law to provide that judgments of the Appellate Division on any appeal from the Division of Workmen's Compensation may be entered in the Appellate Division, and that supplementary proceedings may be had in the Appellate Division in aid of execution upon such judgments. These amendments are not desirable, because many judgments are not entered in the Appellate Division and because the Appellate Division is not adapted to supplementary proceedings in aid of execution upon judgments. Accordingly, Sections 2 and 3 of the bill should be amended to provide that judgments of the Appellate Division on appeals from the Division of Workmen's Compensation may be entered and docketed in the Law Division of the Superior Court, where supplementary proceedings in aid of execution of judgment may be had readily.

Fourth, and most importantly, it should be made clear that the enactment of approval of S-61 would increase greatly the work load of the Appellate Division. During the last full court year ending August 31, 1968, there were 206

workmen's compensation appeals taken to the County Courts and only 27 appeals in workmen's compensation matters taken from the County Courts to the Appellate Division. If projected into the future, last year's figures alone would indicate that the case load of the Appellate Division—already more than it can handle—would increase by 179 matters. Moreover, there is every indication that the volume of appeals in workmen's compensation matters, as in all other areas, can be expected to increase significantly. I am advised that the additional number of appeals to the Appellate Division that can be expected to result from the enactment and approval of S-61 will require virtually the full attention of one Part of the Appellate Division. Moreover, since the Appellate Division has already a case load of appeals far beyond its capacity, the enactment and approval of S-61 mandates the creation of an additional Part of the Appellate Division.

Present budget limitations for the current fiscal year will not permit the establishment of an additional Part of the Appellate Division— the cost of which includes not only salaries of judges, but also judge's staff, chambers, libraries and materials. Yet S-61, notwithstanding the absence of sufficient appropriations to underwrite its costs, would be effective immediately if I were to approve it in its present form. Accordingly, I recommend that S-61 be amended so that it will take effect July 1, 1970. This delayed effective date will afford the Legislature ample opportunity to assess fully the costs of creating an additional Part of the Appellate Division, and to appropriate funds sufficient to pay those costs.

For these reasons, then, I herewith return Senate Bill No. 61 for reconsideration, with the recommendation that it be amended as follows:

On page 1, section 1, line 10, after "compensation" delete ",".

On page 1, section 1, line 10, before "Superior" insert "Appellate Division of the ".

On page 1, section 1, line 10, after "Court" insert ", which appeal shall be taken in accordance with the rules of court.".

On page 1, section 1, line 11, delete lines 11-13 in their entitrey.

On page 1, section 1, line 14, delete "tary of the division in Trenton.".

On page 2, section 1, line 27, after "taken." delete "The Superior Court, Appellate Division may,".

On page 2, section 1, line 28, delete lines 28-30 in their entirety.

On page 2, section 1, line 31, delete "Court.".

On page 2, section 2, line 5, after "Title" insert "may be entered and docketed in the Law Division of the Superior Court,".

On page 2, section 2, line 7, after "court" insert "as in any other case".

On page 2, section 2, line 13, after "entered" insert "and docketed".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 250

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 250, for reconsideration.

Senate Bill No. 250 redefines the rights of veterans of the Viet Nam conflict for purposes of veterans' preference under Civil Service, pension rights under the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System and for purposes of the veterans' tax deduction. Presently, in order to qualify as a "Viet Nam veteran" a person must have served abroad for 180 days in active service at some time following December 31, 1960.

Senate Bill No. 250 also provides that veterans of the Viet Nam conflict which have received an actual service-incurred injury need not have completed their term abroad.

It also changes present law, in that after August 5, 1964, a veteran need only have served 90 days and need not have served abroad. I find this change to be objectionable in that I can find no basis for distinguishing between those who served in Viet Nam before 1964 and those who served after that date. Moreover, the deletion of the requirement that service be abroad represents a considerable change in the law.

Nontheless, the bill makes several necessary and useful changes which I support. I would find it a desirable measure with appropriate changes. I therefore recommend the following changes:

1. *Title:* Amend the title so that it shall read "An Act to define the term 'Viet Nam conflict' with respect to the civil service veterans' preference law, the Teachers' Pension and Annuity Fund law, the Public Employees' Retirement System law, and the veterans' tax deduction law, and amending Revised Statutes 11:27–1, N. J. S. 18A:66–2, P. L. 1954, chapter 84, section 5, P. L. 1963, chapter 171, section 1, and repealing P. L. 1965, chapter 165, section 1."

2. *Page 3, Section 1, Line 82:* After the word "conflict" and before the word "after" delete the word "either".

3. *Page 3, Section 1, Line 83:* After the word "to" and before the word "the" delete "[["; after the word "the" and before the word "President" insert "[["; after the word "President]]" delete the word "August" and insert in lieu thereof the word "Governor".

4. *Page 3, Section 1, Line 84:* Delete the numerals "5, 1964,"; after the word "who" and before the word "shall" delete "(a)".

5. *Page 3, Section 1, Lines 85 to 88:* After the word "duty" and before the word "exclusive" delete all of the italicized language.

6. *Page 3, Section 1, Line 94:* After the figure "180" and before the word "was" delete "or 90 days, as the case may be" and insert in lieu thereof the word "days".

7. *Page 3, Section 1, Line 102:* After the figure "180" and before the word "days" delete "or 90".

8. *Page 7, Section 2, Line 143:* After the word "conflict" and before the word "after" delete the word "either".

9. *Page 7, Section 2, Line 144:* Delete line 144 in its entirety and insert in lieu thereof "the date of termination as proclaimed by the Governor".

10. *Page 7, Section 2, Line 145:* Delete the numerals "5, 1964,"; after "(a)" and before "received" delete the "[".

11. *Page 7, Section 2, Line 146:* After "(b)" and before the word "shall" delete the "]".

12. *Page 7, Section 2, Lines 147 to 150:* After the word "duty" and before the word "exclusive" delete the italicized language in its entirety.

13. *Page 7, Section 2, Line 156:* Delete "or 90 days, as the case may be," and insert in lieu thereof the word "days".

14. *Page 7, Section 2, Lines 163 and 164:* After the figure "180" and before the word "days" delete "or 90".

15. *Page 10, Section 3, Line 111:* After the word "Conflict" and before the word "after" delete the word "either".

16. *Page 10, Section 3, Line 112:* After "Governor]" delete the word "August" and insert in lieu thereof "the date of termination as proclaimed by the Governor".

17. *Page 11, Section 3, Line 113:* Before the word "shall" delete "5, 1964, who (a)" and insert in lieu thereof the word "who".

18. *Page 11, Section 3, Lines 114 to 117:* After the word "duty" and before the word "exclusive" delete the italicized language in its entirety.

19. *Page 11, Section 3, lines 122 and 123:* After the figure "180" and before the word "was" delete "or 90 days, as the case may be," and insert in lieu thereof the word "days".

20. *page 11, Section 3, Line 130:* After the figure "180" and before the word "days" delete "or 90".

21. *Page 11, Section 4, Line 6:* After the word "conflict" and before the word "to" delete "August 4, 1964" and insert in lieu thereof "December 31, 1960".

22. *Page 11, Section 4, Line 7:* After the word "Governor" and before the word "declaring" insert "filed with the Secretary of State".

23. *Page 12, Section 5, Lines 1 through 14:* Delete Section 5 in its entirety and insert in lieu thereof "5. Chapter 165 of the Laws of 1965 (Chapter 54:4–8.11 (a) *et seq.*) is hereby repealed, except that all deductions, credits and rights or privileges heretofore conferred, pursuant to said act, are hereby validated, confirmed and ratified.".

24. *Page 13, Section 6, Line 1:* After the word "immediately" insert ", except that section 4 shall be applicable only with respect to tax deductions for the tax year 1970 and thereafter."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 259

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 259, with my objections, for reconsideration.

This bill would amend Section 18A:14–13 of the New Jersey Statutes and permit the secretary of the board of education of a school district to designate an hour between 4:00 p.m. and 8:00 p.m. as the time for which the drawing of names of candidates for the annual school election shall take place. The existing law mandates the drawing at 8:00 p.m. This legislation has as its obvious purpose the addition of a greater degree of flexibility with regard to the selection of the time for the drawing of candidates' names for school elections. While I support the concept which underlies this bill, I am concerned that 4:00 p.m. may be set arbitrarily, thus eliminating the opportunity for many people who work beyond 4:00 p.m. to be present at the drawing of the candidates' names. A more suitable time frame would be, in my opinion, 6:00 p.m. to 8:00 p.m.

Accordingly, I herewith return Senate Bill No. 259 without my approval, with the following recommendation:

Page 1, Section 1, Line 8: Delete "4:00" and add "6:00".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 19, 1970.

SENATE BILL No. 263

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 263, with my objections, for reconsideration.

This bill requires that when a County Court or County District Court judgment docketed in the Superior Court is satisfied, notice of the entry of the satisfaction of that judgment be sent to the County Clerk so that he, in turn, can mark his copy of the judgment satisfied.

When a judgment of a County Court or a County District Court is docketed in the Superior Court, it becomes the same as a Superior Court judgment, N. J. S. 2A:16–36; 2A:18–38. The lower court cannot issue execution on a judgment once it has been so docketed, N. J. S. 2A:16–37; 2A:18–41. When the transcript of a lower court judgment is sent for docketing in the Superior Court, the County Clerk or the Clerk of the County District Court, as the case may be, notes this on his judgment record, and for all purposes, no longer considers it a judgment in his Court. The purpose of this bill appears to have been the removal of the necessity for a search of the Superior Court Clerk's records at Trenton.

The addition of another notation on his record to show that entry of the satisfaction of judgment was made at the Office of the Clerk of the Superior Court at Trenton would not save a search of the records of that office, since there

may be other liens against the same party also recorded at the Superior Court Clerk's Office at Trenton.

In my view, if some lawyers believe that it is necessary to mark the lower court record satisfied even if it has been so marked at Trenton, a better practice would be to simply provide that, upon presentation of a certified copy of the warrant of satisfaction or execution, the County Clerk or the County District Court Clerk, as the case may be, should mark his record accordingly. This procedure should be employed only when attorneys ask for it and would thus save the State and County governments the substantial additional cost of sending thousands of such notices each year when in the vast majority of these cases there is no reason for such concern.

Accordingly, I herewith return Senate Bill No. 263 without my approval, with the following recommendation:

Section 1, Lines 5 through 10: Delete the present language in its entirety and in lieu thereof substitute the following:

> "satisfied, the County Clerk or the Clerk of the County District Court, as the case may be, shall mark his record accordingly, upon presentation of a certified copy of the warrant of satisfaction or execution by any party to the cause in which such judgment was rendered."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 282

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 282, with my objections, for reconsideration.

Senate Bill No. 282 would bring together various provisions presently scattered about the statutes relating to the creation and powers of county and local authorities. It would prescribe the manner in which every local authority of every type hereafter created would be formed and remove the need for anything more than a simple authorizing act whenever the Legislature wanted to create a new type of authority. Presently, New Jersey has authorized local authorities to operate in the areas of housing, urban renewal, water supply, sewage disposal, county parks and improvements, the building and maintenance of parking lots, seaquariums, incinerators, port facilities, and in some instances, public transportation systems. Senate Bill No. 282 would make common to all of these activities one basic set of ground rules.

There is also presently before me another bill, Assembly Bill No. 767, which takes another tack and would allow counties and municipalities to issue revenue bonds. It states as among its purposes the need to limit the proliferation of special purpose authorities, such as those subject to Senate Bill No. 282. This would give local government some of the virtues of authorities without many of their defects. As such, Assembly Bill No. 767, which I expect to comment on more fully in the near future, raises some basic questions about how we should proceed with Senate Bill No. 282. Some of these questions are presently also being studied by the Autonomous Authorities Committee created by ACR 9 (1968).

Although these basic questions—of responsiveness to public needs, of single-minded pursuit of limited objectives, of lack of public control over what are meant to be public bodies—are often raised only with regard to the giant authorities that straddle the State, local authorities are even more important to the daily services our citizens expect from government. Under the circumstances, therefore, I would have preferred further time for comparison and study of the merits of the two approaches. Although I cannot comment here on my final conclusions regarding Assembly Bill No. 767, some preliminary observations are in order and can be implemented by means of amendments to Senate Bill No. 282.

First, local authorities should as a minimum be fiscally accountable to the public. Their audits and budgets should be subject to uniform standards, which will make intelligent

analysis and comparison of their operations possible. This is especially true when, as is too often the case, tax revenues may be used to aid authority operations, a practice continued under Senate Bill No. 282.

Second, the rate and fees charged by authorities should be subject to regulation by the Public Utilities Commission when the services provided by an authority are the same as those furnished by utilities. This is already the case when municipally-owned utilities cross municipal boundaries, and such oversight should be expanded.

Third, appropriate State representation should exist on each authority. We can no longer afford to have sewerage authorities, for instance, operating in a vacuum with regard to regional and State needs. If we are to deal with the many problems which extend across the boundaries of many authorities, there should be at least an effort made at insuring a voice for the broader interests of the State and region as a whole.

For the moment I must also ask that housing and redevelopment authorities be excluded from the terms of Senate Bill No. 282. These authorities rely heavily on Federal funds and must operate within the framework of Federal laws. Senate Bill No. 282 does not meet the special needs of the Federal requirements. Further study is needed before we act in this area.

Finally, conflicts of interest and public bidding provisions should be tightened.

I must stress that these changes would only apply to new authorities, not to those already in existence. If the Legislature feels, as I do, that these are sound first steps, I would urge their extension to those authorities already constituted.

I, therefore, respectfully recommend the following amendments to Senate Bill No. 282:

1. *Page 2, Section 40A:26–2, Line 4:* Delete the "." after the word "authority" and before the word "The" insert the phrase ", except for authorities heretofore or hereafter created pursuant to the Local Housing Authorities Law (C. 55:14A–1 *et seq.*) and the Redevelopment Agencies Law (C. 40:55C–1 *et seq.*)."

2. *Page 3, Section 40A:26–3, Line 9:* After the word "designated" delete the phrase "governmental or proprietory".

3. *Page 3, Section 40A:26–3, Line 27:* After the word "interest" and before the word "on" delete the phrase "or discount".

4. *Page 4, Section 40A:26–3, Lines 75 and 76:* Delete lines 75 and 76 in their entirety.

5. *Page 4, Section 40A:26–3, Line 77:* After the word "the" and before the word "State" insert the phrase "United States of America, or any agency thereof"; and after the word "State" and before the word "or" insert the phrase "or any agency, department, commission, board or authority thereof".

6. *Page 4, Section 40A:26–3, Line 83:* After the word "any" delete the phrase "governmental unit or person" and insert in lieu thereof the phrase "public body".

7. *Page 5, Section 40A:26–4, Line 4:* After the word "adopted," and before the word "may" insert the phrase "by an affirmative vote of two-thirds of the full membership of the governing body".

8. *Page 5, Section 40A:26–4, Line 8:* After the word "thereof," insert the phrase "one of whom shall be appointed, as hereinafter provided, by the appropriate state agency, and 4 other members".

9. *Page 5, Section 40A:26–4, Line 16:* After the word "appointed" and before the word "shall" insert the phrase "by the county".

10. *Page 5, Section 40A:26–4, Line 18:* After the word "third," and before the word "Februarys" delete the phrase "fourth and fifth" and insert in lieu thereof the phrase "and fourth".

11. *Page 5, Section 40A:26–4, Line 23:* After the word "the" and before the word "year" delete the word "fifth" and insert in lieu thereof the word "fourth".

12. *Page 5, Section 40A:26–4, Line 28:* After the word "adopted" and before the word "may" insert the phrase "by the affirmative vote of two-thirds of the full membership of the governing body".

13. *Page 5, Section 40A:26–4, Line 33:* After the word "thereof" and before the word "who" insert the phrase "one of whom shall be appointed by the appropriate state agency, as provided herein, and four".

14. *Page 6, Section 40A:26–4, Line 40:* After the word "appointed" and before the word "shall" insert the phrase "by the municipality".

15. *Page 6, Section 40A:26–4, Line 42:* After the word "third," and before the word "Februarys" delete the phrase "fourth and fifth" and insert in lieu thereof the phrase "and fourth".

16. *Page 6, Section 40A:26–4, Line 46:* After the word "the" and before the word "year" delete the word "fifth" and insert in lieu thereof the word "fourth".

17. *Page 6, Section 40A:26–4, Line 63:* After the word "bodies" and before the word "as" insert the phrase ", and by the appropriate state agency,".

18. *Page 7, Section 40A:26–4, Line 121:* After the word "law." insert the following sentences:

> Following the filing of each resolution or ordinance pursuant to this section with the Secretary of State, the appropriate state agency shall appoint its member. As used herein, "appropriate state agency" means any department, board, commission or officer designated by the Governor as having a purpose or purposes similar or related to those of any type or class of authorities created pursuant to this act, or regulatory or supervisory jurisdiction over the activities of such an authority.

19. *Page 8, Section 40A:26–4, Line 140:* After the word "subsection" delete the phrase "Such an" and insert in lieu thereof the word "An".

20. *Page 8, Section 40A:26–4, Line 141:* After the numeral "(1)" and before the word "the" delete the word "either".

21. *Page 8, Section 40A:26–4, Lines 143 and 144:* Delete the phrase "by resolution duly adopted, consents to such dissolution, and (2) the authority has no debts or obligations outstanding." and insert in lieu thereof the following language:

> although duly constituted, has issued no obligations, or (2) the local unit assumes all obligations, indebtedness and contracts outstanding to which the authority is a party and by ordinance or resolution, the local unit directs the authority to transfer all of its property to said local unit in addition to all files, books, records,

documents, and all property of the authority, all without the necessity of executing any instrument or instruments effectuating such transfer; and provided further that the employees of such an authority shall be transferred to appropriate similar positions with similar compensation and similar Civil Service status under the local unit. In both cases (1) and (2) the ordinance or resolution dissolving the authority shall be adopted by an affirmative vote of two-thirds of the full membership of the governing body; and further that said ordinance or resolution shall have been approved by an affirmative vote of the majority of the voters registered and participating in the next general election held in the municipality or county.

22. *Page 8, Section 40A:26–4, Line 158:* After the word "ordinances," and before the word "the" insert the phrase "or that the local unit has assumed any such debt or obligation pursuant to the procedure herein prescribed,".

23. *Page 10, Section 40A:26–6, Lines 7 and 8:* Delete Lines 7 and 8 in their entirety and insert in lieu thereof the following language:

full membership, unless in any case the bylaws of the authority shall allow a lesser number.

24. *Page 11, Section 40A:26–7, Line 20:* After the word "section." insert the phrase "And in no event shall any member receive compensation exceeding $100 per diem for each day upon which the members have duly assembled and constituted a quorum pursuant to Section 40A:26–6 of this Act."

25. *Page 11, Section 40A26:–8, Lines 2 through 10:* Delete all of the present language following the word "property." on Line 2 and insert in lieu thereof the following language:

(a) No member, officer or employee of any authority exercising powers pursuant to this act, or members of his immediate family, shall participate in, or in any way influence any proceeding before such body involving an acquisition, sale, lease or exchange of any real property, capital improvement or personal property pursuant to this act, if such member, officer or employee has:

(1) Any proprietary or financial interest, either direct or indirect, in the real property, capital

improvement or personal property, that is the subject of the proceeding, or

(2) Any business or financial relationship with the owner, contract purchaser or lessee of such real property, capital improvement or personal property or any agent of such parties including, but not limited to, brokers, attorneys, assessors or appraisers.

(b) The governing body of a municipality, by ordinance, or a county, by resolution, shall provide that all members of the authority or its employees empowered to prepare or adopt specifications, terms, conditions or related matters for any acquisition, sale, lease or exchange pursuant to this act shall make a full disclosure in writing of any interest referred to in paragraph (a) above in the county or municipality, that such statement shall be made prior to the considerations of any negotiations or transaction pursuant to this act and shall be filed with the presiding officer of such governing body and the authority.

(c) For the purposes of this section "proprietary or financial interest, either direct or indirect in the real property, capital improvement or personal property" means any form of ownership of or interest in the real property, capital improvement or personal property or of the firm or corporation owning or having interest in the real property, capital improvement or personal property whereby the member or employee would or could receive economic gain as a result of dealing with the real property, capital improvement or personal property or the improvements thereon and whether such ownership or interest is held by the member, officer or employee or by his spouse or by his minor natural, adopted, or stepchildren or by any other relations of the member resident in his home or by his private business firm; provided, however, that the member, officer or employee or his immediate family shall not be considered to have a proprietary or financial interest if such interest is represented by ownership of less than 10% of the authorized and issued stocks or bonds of any particular class of a corporation that owns or has an interest in the real property, capital improvement or personal property.

(d) For the purposes of this section, "business or financial relationship" shall mean any form of contractual, financial or economic relationship based upon an agreement enforceable at law or in equity between the member, officer or employee, or a member of his immediate family, or his private business firm and the owner, contract purchaser, or leases of such real property, capital improvement or personal property, provided however, that business or financial relationship shall not include ordinary contractual relationships between the member, officer or employee and a public utility for the provision of utility services or between the member, officer or employee and a retail establishment relating to customary credit, time purchase or charge account transactions, nor shall include agreements between the member, officer or employee and any party that are fully executed and complete.

(e) This section shall not be construed to in any way repeal, modify, or prevent the application of existing statutes, ordinances or decisions of general application prohibiting or regulating conflicts of interest of public officials.

(f) The governing body may, by ordinance, adopt additional or supplementary conflict of interest rules not inconsistent with this section. Any person who violates the provisions of this section or of any ordinance or resolution adopted under this section shall be subject to immediate removal from office and shall be punishable by fine not to exceed $1,000.00.

(g) The violation of this section by a member shall not be grounds for setting aside any action of the authority, unless (1) a contrary decision would have been reached without the vote of such member, and (2) written notice of such violation is given to the municipal or county clerk, as appropriate, within two years of such decision. Any acquisition, sale, lease or exchange made in violation of this section may be set aside by the authority of the county or municipality if it determines that such an action would be in the best interest of the authority, and the real property, capital improvement or personal property which was the subject of the acquisition, sale, lease or exchange has not subsequently been sold, leased or exchanged

to any person not a party to the original transaction and not having notice of any violation of this section at the time it was committed.

(h) "Member of his immediate family" means (1) the spouse and all minor natural, adopted, and stepchildren of the person, and (2) all other relatives by blood, marriage or adoption if such relatives reside with the person in his home or in one of his houses.

(i) When any real property, capital improvements or personal property shall have been acquired, sold, leased or exchanged by any authority pursuant to this act, and the grand jury sitting in the county shall have presented to the court that there is evidence of failure to fulfill specifications, enforce or impose conditions, restrictions or limitations required herein, or unwarranted preferences in any of the said transactions, which is not sufficient for indictment pursuant to Chapter 135 of Title 2A of the New Jersey Statutes, the authority or the governing body of the county or municipality shall present to a judge of the Superior Court a request to make a summary investigation into said transactions. The judge may, in his discretion, make such an investigation. The said judge may, in his discretion, appoint experts to prosecute the investigation and cause the result to be published in such manner as he may deem proper. All members, officers, employees and agents of the board, commission, committee or other body making the acquisition, sale, lease or exchange, shall obey the orders of such judge for facilitating the investigation, and any failure or refusal to obey such orders may be punished by the judge as for contempt. The costs incurred under this section shall be fixed by the judge, and his order be paid by the disbursing officers of the board, commission, committee or other body whose expenditures have been investigated.

(j) Nothing herein shall in any way limit the power, duty or authority of the Director of the Division of Local Finance from undertaking such investigations, inquiries, or holding of such hearings with regard to any acquisition, sale, lease or exchange pursuant to this act as may be authorized pursuant to the "Local Government Supervision Act (1947)", P. L. 1947, c. 151 (C. 52:27BB–1 to 52:27BB–100), as amended and

supplemented. The Director shall present any evidence of any violation of this act, or of Chapter 135 of Title 2A of the New Jersey Statutes, or any other act resulting from a transaction pursuant to this act to the prosecutor of the county in which the violation occurred or to the Attorney General forthwith.

26. *Page 12, Section 40A:26–10, Line 26:* After the word "person" and before the word "for" insert the phrase "or public body".

27. *Page 12, Section 40A:26–10, Line 31:* After the word "upon" insert the phrase ", provided that the terms and conditions of any such franchise, lease or agreement shall be filed with the clerk of the municipality or the county, as may be appropriate, and with the Director of the Division of Local Finance 20 days prior to its formal adoption; and provided further that in the case of a franchise, lease or agreement with an aggregate value in excess of $10,000 per annum, there shall be noticed in at least one newspaper circulating within the county or municipality in which the authority is located the terms and conditions of the said franchise, contract or agreement and notice of a public hearing given designating the time and place of such hearing which shall not be less than 10 days prior to the granting of any such franchise, contract or agreement and not later than 10 days following the advertisement required herein".

28. *Page 14, Section 40A:26–12, Lines 1 to 21:* Delete Section 40A:26–12 in its entirety and insert in lieu thereof the following:

"40A:26–12. Determination of facility charges; schedule; public record.

(a) Any authority operating any form of public utility service shall keep the accounts thereof in the manner prescribed by the Board of Public Utility Commissioners for the accounting of similar public utilities, and shall file with the Board such statements thereof as may be directed by the Board.

(b) Whenever any authority shall acquire, construct or engage, or is engaged in the business of operating any public facility or project in the nature of a public utility, such authority, as to such business and the property and plant used by it, shall

(1) Keep its books, records and accounts,

(2) Comply with all rules, regulations and recommendations as to reasonable standards and service,

(3) Make reports to the Board of Public Utilities Commissioners, in the manner and form, and to the same extent as the Board shall from time to time require of other public utilities engaged in similar businesses, and the Board of Public Utilities Commissioners shall have power and authority to enforce provisions of this section.

(c) The authority shall submit a proposed schedule of facility charges to the Commissioners of the Board of Public Utilities. For purposes of making a determination as to whether to approve or disapprove the schedule of facility charges submitted, the authority shall be deemed a public utility and subject in every respect, not inconsistent with this act to the terms and provisions of Title 48 of the Revised Statutes provided, however, that the facility charges fixed, charged and collected by the authority shall be so adjusted that the revenues of the authority will at all times be adequate to pay all expenses of the authority, including the expenses of operation and maintenance of any public facility or other property owned or controlled by the authority, including insurance, improvements, replacements, reconstruction and any other required payments, and to pay the principal and interest of any bonds, and to maintain such reserves or sinking funds for any of the foregoing purposes as may be required by the terms of any bond, covenant or agreement or as may be deemed necessary or convenient to the proper performance of the functions of the authority.''

Source: R. S. 40:62–1; 40:62–2.

29. *Page 15, Section 40A:26–14, Line 5:* After the word ''resolution'' insert the phrase ''adopted not sooner than 10 calendar days following the advertisement in a newspaper of general circulation within the municipality or county in which the authority is located of the intent of the authority to adopt such resolution''.

30. *Page 17, Section 40A:26–16, Lines 7 and 8:* Following the word ''exceed'' delete the phrase ''6% per annum'' and insert in lieu thereof the phrase ''the lawful rates set pur-

suant to Chapter 55 of the Laws of 1968, and any rules and regulations promulgated thereunder''.

31. *Page 17, Section 40A:26–16, Line 16:* After the word ''purchaser.'' insert the following sentence: ''No notes may be issued pursuant to this section for a term of more than three years prior to permanent financing through bonds as herein provided.''.

32. *Page 21, Section 40A:26–18, Line 42:* After the word ''collected'' insert the phrase '', subject to the determination of the Public Utilities Commission as herein provided''.

33. *Page 29, Section 40A:26–28, Lines 1 and 2:* After the word ''authorized.'' and before the word ''is'' delete the phrase ''Any county, municipality, governmental unit or person'' and insert in lieu thereof the phrase ''(a) Any public body''.

34. *Page 29, Section 40A:26–28, Lines 4 and 5:* After the word ''such'' and before the word ''of'' delete the phrase ''county, municipality, governmental unit or person'' and insert in lieu thereof the phrase ''public body''.

35. *Page 29, Section 40A:26–28, Lines 7 and 8:* After the word ''by'' and before the word ''annually'' delete the phrase ''such county, municipality, governmental unit or persons'' and insert in lieu thereof the phrase ''such public body''.

36. *Page 29, Section 40A:26–28, Lines 14 and 15:* After the word ''such'' and before the word ''and'' delete the phrase ''county, municipality, governmental unit or person'' and insert in lieu thereof the phrase ''public body''.

37. *Page 29, Section 40A:26–28, Line 16:* After the word ''any'' insert the word ''bonds.''.

38. *Page 29, Section 40A:26–28, Lines 17 to 26:* Delete Lines 17 to 26 in their entirety and insert in lieu thereof the following language:

(b) In the case of a lease to any private person, said lease shall be made by public letting to the highest bidder after advertisement thereof in a newspaper circulating in the municipality or municipalities in which the leasehold is situated by 2 insertions at least once a week during 2 consecutive weeks; the lease publication to be not earlier than 7 days prior to the letting of the lease. The authority may, by resolution,

fix a minimum rental with the reservation of the right, to reject all bids where the highest bid is not accepted. Notice of such reservation shall be included in the advertisement of the letting of the lease and public notice thereof shall be given of the time of the letting of the lease. Such resolution may provide that upon the completion of the bidding, the highest bid may be accepted or all of the bids may be rejected. It shall also set out the conditions, restrictions and limitations upon the tenancy subject to the lease. Acceptance or rejection of the bid or bids shall be made not later than at the second regular meeting of the governing body following the opening of the bids, and, if the governing body shall not so accept such highest bid, or reject all bids, said bids shall be deemed to have been rejected. Any such award may be adjourned at the time advertised for not more than one week without readvertising.

(c) Nothing in this section shall apply to a lease or tenancy in any public, limited-dividend or non-profit housing owned, leased or operated by the authority, any public body, or any non-profit or limited-dividend corporation.

39. *Page 32, Section 40A:26–36, Line 1:* After the word "audit" delete the "."; and before the word "Each" insert the letter "(a)".

40. *Page 32, Section 40A:26–36, Line 10:* After the word "authority." insert the following paragraph:

(b) In addition to any other powers heretofore or hereafter granted, the Division of Local Finance may prescribe, by rules and regulations, the nature, form and content of the annual audit required pursuant to this section.

41. *Page 32, Section 40A:26–37, Line 9:* After the word "Finance." insert the following sentence:

The Division may prescribe by rules and regulations the nature, form, content and preparation of any resolution or budget required herein.

42. *Page 33, Section 40A:26–38, Lines 1 to 19:* Delete Section 40A:26–38 in its entirety and insert in lieu thereof the following:

40A:26–38. Fiscal year. The fiscal year of any authority created pursuant to this act shall begin on the first day of

July of each calendar year and end on the last day of June of the succeeding calendar year.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No 283

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 283, with my objections, for reconsideration.

Senate Bill No. 283 is a revision of those portions of Title 40 affecting the manner in which counties and municipalities may buy and sell interests in lands and buildings. As a revision, its purpose is to simplify the existing law and remove from the present body of the law anachronisms and inconsistencies. It is a companion to two other measures also presently before me, Senate Bills No. 282 and 284. It deals with a varied number of topics.

As a revision, it also deals with those dry and dreary areas of the law that fail to excite the public imagination or stir continued interests. Nonetheless, these three bills deal with the very bases of the day-to-day operations of government. In 1967, municipalities alone spent almost $100 million for capital improvements and debt service. Counties spent over $42 million. Much of this money was spent under the terms of the act which Senate Bill No. 283 revises.

I have therefore paid very close and scrupulous attention to both the details and the concepts of the bill. After full consideration of its terms, I recommend extensive revisions in the language of Senate Bill No. 283, some of them techni-

cal, some going to the very core of public purchasing policy. I have made similar recommendations with regard to Senate Bill No. 284. In summary, they may be stated as follows.

—First, it is my recommendation that the number of private transactions not subject to public bidding be severely limited. While it is true that there cannot be competitive bidding as regards purchases of land or capital improvements because of their unique nature and location, most sales of public lands or improvements should be fully revealed to public scrutiny by public sale. Moreover, counties and municipalities should receive the benefits that usually arise from competitive bidding.

—Second, even in the area of county and municipal purchases of land, standards can be established which ensure that the public will receive its money's worth and that favoritism on the part of public officials is limited or eliminated. In particular, I have long been struck by the disparity which often appears between the value of land when assessed for tax purposes and its value when purchased by a public agency. The contrast is all the more striking, since both standards are meant to reflect the real market value of the property. Either the public agency is paying too much for the land it is buying, or the property in question has benefited from underassessment and a "tax break" at the expense of the municipality's other homeowners. Indeed, there may be instances in which there has been favoritism in determining the assessed value for tax purposes, a favoritism which may be compounded by the subsequent purchase of the property by the county or municipality at an inflated price. It seems to me that our local taxpayers will be better served by a requirement that either the land not be purchased at a price higher than its assessed value, or that the owner should pay his fair share of back taxes which would have been paid if the land had been properly assessed at its true market value. I have therefore recommended changes to that effect in both Title 40 and Title 20.

—Third, I have added a strong conflicts of interest provision. No public official should benefit from his interest or ownership, direct or indirect, in any lands or buildings which the county or municipality may choose to buy or sell.

—Fourth, instead of simply "donating", in effect, county and municipal lands to public purpose nonprofit corporations, longterm leases should be used. From their viewpoint, such a lease allows for adequate capital financing, since most mortgages would expire long before the lease. From the public viewpoint, leases allow the county or municipality to reconsider, from time to time, whether the best interests of the locality continue to be served by the lease. Times change and so do public needs. In addition, outright conveyances of land often go astray, as when a local hospital moves to another area, leaving a limited or inadequate facility behind to service the city's needs—or worse, when some way is found to sell the land. Nontheless, when the public interest is strong enough to warrant an outright conveyance, the governing body is given the option of granting title, but subject to voter approval by referendum. These changes appear both sensible and necessary in light of Article VIII, Section 3, Paragraphs 2 and 3 of the Constitution. *Roe v. Kervick*, 42 N. J. 193 (1964), decided since many of the statutes being revised by Senate Bill No. 283 were enacted, casts a shadow over some of them, which should be dispelled by adoption of the changes I have proposed.

—Fifth, I have included in the definition of real property what are commonly known as "air rights". Counties and municipalities have, without a clear statutory basis, already sold "aerial easements" on some occasions. Other interest in the space over real property are possible too, however, and local government should have a clear basis for buying or selling them. Housing over roads or schools, businesses over municipal parking lots, roads over factories, are all possibilities that should be explored in a State as crowded as ours.

—Finally, I have tried to carry forward the spirit of the revision by eliminating as many special or specific authorizations for county and municipal acquisition or sale of lands and buildings. In their stead, I have inserted general authorizations for purchases or sales, to be tested against a common standard of whether they serve a public purpose. It is to be hoped that both the courts, counties and the municipalities will interpret this language broadly so as to forestall the need for the endless list of amendments, bills and counter-amend-

ments that are introduced each year for narrow and often conflicting purposes.

It is similarly hoped that the draftsmen of this bill will continue their efforts in related areas which are not covered by Senate Bill No. 283. There is no reason apparent to me why park commisisons, county or municipal authorities and similar agencies should not be made subject either to the terms of this act or to similar provisions. For the time being, however, I recommend the following changes:

1. *Page 1, Section 2, Lines 1 to 11:* Delete the present language and insert in lieu thereof the following:

2. Definitions. The following words shall have the following meanings, unless the context clearly indicates the contrary:

(a) "Acquire" shall include acquisition by gift, devise, purchase, lease or condemnation unless otherwise indicated.

(b) "Buildings" shall include any building or buildings and any structures, improvements, ingress or egress, grounds or plazas, necessary and incidental to the purpose of the building and the safety, comfort and well-being of its occupants.

(c) "Capital improvements" shall include, in addition to buildings, any structures, fixtures, edifices, byways, parking lots, service facilities, and any other facility necessary and incidental to the lawful performance of any function of a county or municipality.

(d) "County" means any county of this State of whatever class.

(e) "Municipality" means any town, township, borough, village or city of whatever class heretofore or hereafter created under general or special charter.

(f) "Personal property" shall mean any personal property necessary and incidental to the furnishing, refurnishing or refurbishing of a building.

(g) "Real property" shall include, in addition to the usual connotations thereof, any right, interest or estate in the area extending above any real

property, or capital improvement thereon, to such a height or altitude as any title, interest or estate in real property may extend, commonly known as "air rights".

(h) "Resolution" or "ordinance" when used in connection with the action of a county or municipality means a resolution or ordinance adopted by the governing body of the county or municipality. In any case in which a resolution or ordinance authorizing the expenditure of public moneys is required to be approved by any other board, body or commission of the State, county or municipality, "resolution" or "ordinance" shall mean also adopted or approved by the board, body or commission authorized to take such action on behalf of the State, county or municipality.

(i) "Sale" shall include the conveyance of any estate, interest, easement or title to, or the waiver, release, or modification of any conditions, restrictions or limitations on any real property, capital improvement or personal property of the county or municipality, but shall not include any lease or exchange of such property.

2. *Page 1, Section 3, Lines 1 to 10*: Delete the present language and insert in lieu thereof the following:

ACQUISITION

3. Acquisition of Lands and Buidings.

(a) Any county or municipality may acquire, construct and maintain such buildings or other capital improvements as may be necessary and suitable for the performance of its functions, the accommodation of the courts required to be held in the county or municipality, the conduct of public business and the use of the county and municipal departments, officers, boards, commissions and agencies in charge of institutions and facilities and any other county or municipal public purposes, and from time to time as necessary, repair, alter, enlarge, rebuild, furnish, refurnish, refurbish or rehabilitate such buildings.

(b) Any county or municipality may acquire the necessary land for the construction thereon of buildings or other capital improvements or additions thereto and for suitable surrounding grounds and parking facilities to be used in connection therewith. Any such buildings, capital improvements or facilities may be constructed and maintained upon real property acquired by the county or municipality.

(c) A county or municipality may furnish and equip such buildings, improvements and facilities for the proper use thereof and may from time to time as may be necessary, repair and replace the furnishings and equipment thereof.

Source: R. S. 40:32–3, amended 1955, c. 62; 1965, c. 150; 40:60–6, amended 1954, c. 39.

3. *Page 2, Section 4, Lines 1 to 18:* Delete the present language and insert in lieu thereof the following:

4. Further Acquisitions Authorized. Any county or municipality may acquire:

(a) Any real property, capital improvement, personal property or any interest or estate whatsoever therein, including easements, water, water power, or water rights, either within or without the county or municipality, or

(b) Any outstanding easement, right or interest in any real property, capital improvement or personal property previously acquired by the county or municipality which the governing body shall determine to be necessary or useful for the proper exercise of any power conferred or duty imposed upon the county or municipality by this or any other law; but this section shall not operate, or be construed, to repeal or supersede any law requiring the consent of any other county or municipality, or any state authority, department, agency or commission for the acquisition of any such property.

Source: R. S. 40:32–2; 40:60–2.

4. *Page 2, Section 5, Lines 1 to 23*: Delete the present language and insert in lieu thereof the following:

5. Additional Powers. Any county, by resolution, or any municipality, by ordinance, may provide for the acquisition of any real property, capital improvement, or personal property, other than by condemnation:

(a) By purchase, gift, devise, lease, exchange, or condemnation;

(b) Subject to lawful conditions, restrictions or limitations as to its use by the county or municipality, provided the governing body accepts such lawful conditions, restrictions or limitations. When any county or municipality shall have acquired any real property, capital improvement or personal property upon any lawful condition, restriction or limitation, it is hereby authorized to take such steps as may be necessary and proper to the compliance by the county or municipality with such lawful conditions, restrictions or limitations;

(c) Whenever the governing body of any county or municipality to which there has been conveyed any real property, capital improvement, or personal property subject to such lawful conditions, restrictions or limitations shall by ordinance, in the case of a municipality, and by resolution, in the case of a county, determine that said real property, capital improvement or personal property can no longer be used advantageously for the purposes for which the same were acquired by the county or municipality, said county or municipality may, by ordinance or resolution, authorize the sale or exchange pursuant to Section 15 of this act of the interest of the county or municipality in said real property, capital improvement or personal property to the person from whom the same was acquired;

(d) Whether the acquisition of any real property is by lease, purchase, or exchange, the governing body may require the construction or repair of any capital improvement as a condition of acquisition.

Any county or municipality having acquired any real property, capital improvement or personal property or any estate or interest therein, which acquisition

or estate or interest shall have become unsuited or inconvenient for the use for which it was acquired, may, at any time convert a portion or the whole thereof to any other public use unless otherwise provided by law or by the terms of acquisition.

Source: R. S. 40:32–2; 40:60–2; C. 40:60–27.4 (1950, c. 7); R. S. 40:32–10, amended 1953, Chapter 119; 40:60–37; 40:60–38; 40:60–9.

5. *Page 3, Section 6, Lines 1 to 19:* Delete the present language and insert in lieu thereof the following:

6. Authorization to incur indebtedness and make appropriations.

(a) Whenever, pursuant to law, a county or municipality is authorized to acquire or improve any real property or capital improvement, or both, or any personal property, the county or municipality may provide for the payment of the cost of such acquisition or improvement, or both, in whole or in part, by the incurring of indebtedness and issuance of bonds in accordance with the "Local Bond Law," (Chapter 2 of Title 40A of the New Jersey Statutes) or by having provided an appropriation in the annual budget for the purpose, pursuant to the provisions of the "Local Budget Law," (Chapter 4 of Title 40A of the New Jersey Statutes).

(b) Whenever, pursuant to law, a county or municipality is authorized to maintain or operate any real property, capital improvement, or personal property, or any facility, the county or municipality may provide for the payment of the cost of such maintenance or operation, or both, by budget appropriation in the manner provided by law, any sums obtained from earnings of such property or facility, if any, or from any other lawful revenue source, pursuant to the provisions of the "Local Budget Law" (Chapter 4 of Title 40A of the New Jersey Statutes).

6. *Page 3, Section 7, Lines 1 to 16:* Delete the present language and insert in lieu thereof the following:

7. Subsequent acquisition of outstanding interests. Any county or municipality having acquired any real property, capital improvement or personal property

or any estate or interest therein subject to any lawful conditions, restrictions or limitations upon its use may subsequently acquire such outstanding interests. In any case in which a county or municipality seeks to acquire such interest or estate by purchase or condemnation, the amount to be paid to the owner of the reversionary or other private right or estate or expectancy shall be the value of such right, subject to the continued use of the property for the purpose or purposes for which it was acquired by the county or municipality.

Source: R. S. 40:60–38.

7. *Pages 3 and 4, Section 8, Lines 1 to 9:* Delete the present language and insert in lieu thereof the following:

8. Procedure for Acquisition. A county or municipality may acquire any real property, capital improvement or personal property only in accordance with the provisions of this act and only in the manner provided by this section.

(a) In the case of an acquisition by gift or devise, a county or municipality shall only accept title to such gift or devise by an ordinance in the case of a municipality, or by resolution, in the case of a county, setting out therein (1) the use or purpose to which the acquisition by gift or devise shall be applied, and (2) the name of the donor or devisor, and (3) any conditions, restrictions or limitations imposed upon, or estate or interest retained in the acquisition, and the acceptance by the governing body of said limitations or conditions, and (4) an estimate by the fiscal officer of the municipality of the present and foreseeable benefits and costs, and the net benefit or cost of the acquisition to the county or municipality in operating revenues or expenses, maintenance, depreciation or other costs, including potential tax revenues.

(b) In the case of an acquisition by purchase or lease, a county or municipality shall make such acquisition by an ordinance, in the case of a municipality, or by resolution, in the case of a county, setting out therein (1) the use or purpose to which the acquisition shall be put or applied,

and (2) the name of the vendor or lessor, and (3) any conditions, restrictions or limitations imposed on, or estate or interest retained in the acquisition, and the acceptance by the governing body of said conditions or limitations, and (4) the price to be paid by the county or municipality. In such a case, the county or municipality shall determine the price to be paid at an amount not in excess of the "full and fair value of the real property or capital improvement, as determined by the assessor of the municipality in which the real property or capital improvement is located for the then current tax year pursuant to Section 54:4–23 of the Revised Statutes. In making a determination of the "full and fair value" pursuant to this section a county or municipality may, in any case where the real property or capital improvement to be purchased or leased is less than a full parcel, apportion the value of the property on a pro-rata basis, and the value of a lease by capitalization.

A county or municipality may determine and pay a higher price upon agreement by the vendor or lessor to pay to the collector of taxes in the municipality in which the real property or capital improvement is located, the difference between the real property taxes paid on the land or other property and the amount which would have been payable had the value of the real or other property been determined at the amount to be paid by the county or municipality and entered as the "full and fair value" determined by the assessor pursuant to Section 54:4–23 of the Revised Statutes for each of the 10 preceding tax years; and such back taxes due and payable as so recomputed are paid pursuant to the provisions of Chapter 4 of Title 54 of the Revised Statutes.

(c) In the case of acquisition by condemnation, the acquisition shall be made in the manner provided by Title 20 of the Revised Statutes.

(d) Section 20:1–9 of the Revised Statutes is amended to read as follows:

20:1–9. The commissioners shall take and subscribe an oath faithfully and impartially to

examine the matter in question and make a true report according to the best of their skill and understanding. Thereafter they shall meet at the time and place appointed and proceed to view and examine the land or other property and make a just and equitable appraisement of the value of the same, and an assessment of the amount to be paid by the petitioner for the land or other property and damage as aforesaid, as of the date of the commencement of the act for condemnation or, if the land or other property is being acquired in connection with development or redemption of a blighted area, then in that event, the value of any property sought to be acquired shall be fixed and deemed to be no less than the value as of the date of the declaration of blight by the governing body upon a report by a planning board.

In the event that the commissioners shall determine upon the evidence before them a value of any land or other property, in excess of the "full and fair value" or, in the case of a partial taking, the pro-rata share of the "full and fair value" of any parcel, determined by the assessor of the municipality in which the land or other property is located for the then current tax year pursuant to Section 54:4–23 of the Revised Statutes, the commissioners shall deduct from the award an amount equal to the difference between the real property taxes paid on the real or other property and the amount which would have been payable had the value determined by the commissioners been used by the assessor as the "full and fair value" of the land or other property pursuant to Section 54:4–23 of the Revised Statutes for each of the preceding 10 tax years. For purposes of this computation, the commissioners may take into account any increase or decrease in value as they have determined it during the period in question, or may assume a constant ratio between the "full and fair value" as determined by the assessor and the value determined by the commissioners. The commissioners shall then direct that the amount

determined pursuant to this paragraph be paid to the collector of taxes of the municipality in which the land or other property is located along with such interest or costs as shall be payable pursuant to Chapter 4 of Title 54 of the Revised Statutes.

8. *Page 4, Section 9, Line 16:* Delete the phrase "an inheritance or estate" and insert in lieu thereof the word "any".

9. *Page 4, Section 9, Line 18:* Delete the phrase " a transfer inheritance or estate" and insert in lieu thereof the word "any".

10. *Page 4, Section 9, Line 19:* Delete the phrase "subtitle 5 of".

11. *Page 4, Section 9, Lines 25 and 26:* Delete the phrase "transfer inheritance or estate".

12. *Page 4, Section 9, Lines 30 and 31:* Delete the phrase "transfer inheritance or estate".

13. *Page 5, Section 11, Lines 1 to 6:* Delete the present language and insert in lieu thereof the following:

11. Joint purchase of lands and construction of buildings or other capital improvements for joint use. Any county or municipality therein may acquire land and construct thereon a building or buildings or other capital improvements for their joint use. Title thereto shall be taken in the manner and their respective uses provided by agreement between the governing bodies of the county and municipality. The expense of acquisition of such land and the construction of a building or buildings or other capital improvements and of the maintenance thereof shall be divided between the county and municipality in such manner as the governing bodies shall agree upon.

Source: R. S. 40:32–5.

14. *Page 5, Section 12, Lines 1 to 10:* Delete the present language and insert in lieu thereof the following:

12. Temporary quarters. Any county or municipality may lease, temporarily, any suitable building, when needed by reason of the destruction, alteration, re-

pairing or inadequacy of any county or municipal building, but no lease under this section shall extend beyond the period reasonably necessary for the alteration, repair or construction of an adequate county or municipal building.

Source: R. S. 40:60–7.

15. *Page 5, Between Section 12, Line 10 and Section 13, Line 1:* Delete the heading "MUNICIPALITIES".

16. *Page 5, Section 13, Lines 1 to 6:* Delete the present language and insert in lieu thereof the following:

13. Early land acquisition. Any county, by resolution, or municipality, by ordinance, may acquire real property and any estate or interest therein, including a lease with option to purchase, which the governing body shall determine will be necessary or useful for the proper exercise of any power conferred upon the county or municipality by this or any other law, notwithstanding that the county or municipality will not make use of such estate or interest for a period not exceeding ten years if:

(a) In the case of a county or municipality, (1) the county or municipality has adopted a capital budget pursuant to N. J. S. 40A:~~4~~–43 to 45 which shall include a program or project for the expenditure of public funds for capital purposes requiring, or likely requiring, the acquisition of such real property, and (2) the proposed use for which the real property may be acquired is in conformity with both the zoning ordinance and master plan of the municipality, where such have been adopted, and

(b) In the case of a county, the county shall enter into an agreement for payments in lieu of taxes with the municipality, in which case said payments shall not be less than the aggregate amount paid by all real property acquired by the county at the time of acquisition. Said agreement may be limited to the period during which the county has not initiated the program or project of expenditure of public funds for capital purposes adopted pursuant to its capital budget.

During the period prior to the initiation of a program or project for the expenditure of public funds for capital purposes pursuant to the capital budget of the county or municipality, the county or municipality shall have all the powers and duties of a private person for purposes of collection of rents, fees, service charges and the provision of safe, decent and sanitary housing, Section 28 to the contrary notwithstanding. Housing facilities in being at the time of acquisition shall be operated, maintained and improved by the county or municipality, or where the county or municipality so elects, by a county or municipal housing authority created pursuant to the Local Housing Authorities Law, (P. L. 1938, c. 19).

17. *Page 5, Section 14, Line 2:* Insert after the word "a" and before the word "municipality" the phrase "county, by resolution, or" and insert after the word "municipality" and before the word "determines" the phrase ", by ordinance," and after the word "that" and before the word "property" insert the phrase "any real".

18. *Page 5, Section 14, Line 4:* Insert after the word "the" and before the word "municipality" the phrase "county or".

19. *Page 5, Section 14, Line 5:* After the word "State" and before the word "Title" delete the "." and insert in lieu thereof a ",".

20. *Page 5, Section 14, Lines 5 and 6:* Delete the phrase "Title thereto may be acquired" and insert after the word "the" and before the word "municipality" the phrase "county or".

21. *Page 5, Section 14, Line 7:* After the word "the" and before the word "municipality" insert the phrase "county or".

22. *Page 5, Section 14, Line 8:* Delete "Source: R. S. 40:60–4." and insert in lieu thereof the following two paragraphs:

(a) The governing body of a county or municipality acquiring real property pursuant to this section, or which has acquired real property pursuant to Section 40:60–4 of the Revised Statutes, shall annually file with the Division of Local Finance in the Department of Community Affairs a resolution indicating

the location of the property acquired pursuant to this section, its cost, the real parties in interest from whom the real property was purchased; the cost of operating or maintaining any improvements or facilities therein (including taxes); and the purpose for which it was purchased.

(b) In any case in which real property has been acquired pursuant to this section, and is determined by a county, by resolution or a municipality, by ordinance, to no longer be necessary to the beneficial use of property in this state, said property shall be sold pursuant to the provisions of Section 15 of this act. Such a determination shall be made in any case in which the real property in this state owned by the county or municipality, for whose beneficial use of which the real property located in the foreign state is purchased, shall have been sold or exchanged by the county or municipality.

Source: R. S. 40:60–4.

23. *Page 5, Between Section 14, Line 8 and Section 15, Line 1:* Delete the heading "COUNTIES AND MUNICIPALITIES" and insert in lieu thereof the heading "SALE, LEASE OR EXCHANGE".

24. *Page 5, Section 15, Line 1:* Delete the phrase "lands or buildings" and insert in lieu thereof the phrase "real property, capital improvements or personal property".

25. *Page 5, Section 15, Line 2:* Delete the phrase "lands or buildings" and insert in lieu thereof the phrase "real property, capital improvements or personal property".

26. *Page 6, Section 15, Lines 4 and 5:* On Line 4, after the word "than" and before the word "municipal" insert the phrase "county or"; and on Lines 4 and 5, delete the phrase "used for public highways or places or for park purposes" and insert in lieu thereof the phrase "real property otherwise dedicated or restricted pursuant to law,".

27. *Page 6, Section 15(a), Line 13:* Add after the word "price," the phrase "or prices,".

28. *Page 6, Section 15(a), Line 20:* After the word "rejected." and before the word "Such" insert the following sentences:

The invitation to bid may also impose restrictions on the use to be made of such real property, capital improvement or personal property and any conditions of sale as to buildings or structures, or as to the type, size, or other specifications of buildings or structures to be constructed thereon, or as to demolition, repair, or reconstruction of buildings or structures, and the time within which such conditions shall be operative, or any other conditions of sale in like manner and to the same extent as by any other vendor. Such conditions shall be included in the advertisement, as well as the nature of the interest retained by the county or municipality. Such restrictions or conditions shall be related to a lawful public purpose and encourage and promote fair and competitive bidding of the county or municipality and shall not, in the case of a municipality, be inconsistent with or impose a special or higher standard than any zoning ordinance or building, plumbing, electrical, or similar code or ordinance then in effect in the municipality.

In any case in which a county or municipality intends to retain an estate or interest in any real property, capital improvement or personal property, in the nature of an easement, contingent or reversionary, the invitation to bid and the advertisements required herein shall require each bidder to submit one bid under each Option A and Option B below.

(1) Option A shall be for the real property, capital improvement or personal property subject to the conditions or restrictions imposed, or interest or estate retained, which the county or municipality proposes to retain or impose.

(2) Option B shall be for the real property, capital improvement or personal property to be sold free of all such restrictions, conditions, interests or estates on the part of the county or municipality.

The county or the municipality may elect or reject either or both options and the highest bid for each.

29. *Pages 6, 7 and 8, Sections 15(b) and (c), Lines 26 to 99:* Delete the present language and insert in lieu thereof the following:

(b) At private sale when authorized by resolution, in the case of a county, or by ordinance, in the case of a municipality, in the following cases:

(1) A sale to any political subdivision, agency, department, commission, board or body corporate and politic of the State of New Jersey or to an interstate agency or body of which the State of New Jersey is a member or to the United States of America or any department or agency thereof.

(2) A sale to a person submitting a bid pursuant to subsection (a) of Section 15 of this act where all bids have been rejected, provided that the terms and price agreed to shall in no event be less than the highest bid rejected and provided further that the terms and conditions of sale shall remain identical.

(3) A sale by any county or municipality when it has or shall have conveyed its right, title and interest in any real property, capital improvement or personal property not needed for public use, and it was assumed and intended that there should be conveyed a good and sufficient title in fee simple to said real property, capital improvement or personal property, free of all incumbrances and the full consideration has been paid therefor, and it shall thereafter appear that the title conveyed was insufficient or that said county or municipality at the time of said conveyance was not the owner of some estate or interest in said real property, capital improvement or personal property or of some encumbrances thereon and the county or municipality shall thereafter acquire a good and sufficient title in fee simple, free of all encumbrances of said real property, capital improvement or personal property or shall acquire such outstanding estate or interest thereon or outstanding encumbrance thereon and said county or municipality, by resolution of the governing body and without the payment of any additional consideration, has deemed to convey or otherwise transfer to said purchaser, his heirs or assigns, such after-acquired title, or estate or interest in, or encumbrance upon, such real property, capital improvement or personal property

to perfect the title or interest previously conveyed.

(4) A sale of an easement upon any real property previously conveyed by any county or municipality, when the governing body of any county by resolution, or any municipality, by ordinance, has elected to release the public rights in the nature of easements, in, on, over or under any real property within the county or the municipality, as the case may be, upon such terms as shall be agreed upon with the owner of such lands, if the use of such rights is no longer desirable, necessary or required for public purposes.

In the case of any sale of real property hereafter made pursuant to this subsection (b) of Section 15 of this act, in no event shall the price agreed upon with the owner be less than the difference between the highest bid accepted for the real property subject to easements (Option A) and the highest bid rejected for the real property not subject to easements (Option B). After the adoption of the resolution or ordinance, and compliance by the owner of said real property with the terms thereof, said real property shall be free, and entirely discharged of and from such rights of the public and of the county or municipality, as the case may be, but no such release shall affect the right of lawful occupancy or use of any such real property by any municipal or private utility to occupy or use any such real property lawfully occupied or used by it.

A list of the property so authorized to be sold, pursuant to this subsection (b) of Section 15 of this act, together with the minimum prices respectively, as determined by the governing body, shall be included in the resolution or ordinance authorizing the sale, and said list shall be posted on the bulletin board or other conspicuous space in the building which the governing body usually holds its regular meetings, and advertisement thereof made in a newspaper circulating in the municipality or municipalities in which the real property, capital improvement or personal property is situated within five days following enactment of said resolution or ordinance. Offers for

any or all properties so listed may thereafter be made to the governing body or its designee for a period of 20 days following the advertisement herein required, at not less than said minimum prices, by any prospective purchaser, real estate broker, or other authorized representative. In any such case, the governing body may reconsider its resolution or ordinance, not later than 30 days after its enactment, and advertise the real property, capital improvement, or personal property in question for public sale pursuant to subsection (a) of this Section 15.

Any county or municipality selling any real property, capital improvement or personal property pursuant to this subsection (b) of Section 15 of this act shall file with the Director of the Division of Local Finance in the Department of Community Affairs, sworn affidavits verifying the publication of advertisements as required by this subsection.

All sales either public or private may be made for cash or upon credit. A deposit not exceeding 1 per centum of the minimum price or value of the property to be sold may be required of all bidders. When made upon credit, the county or municipality may accept a purchase-money mortgage, upon terms and conditions which shall be fixed by the resolution of the governing body; provided, however, that when such mortgage shall be fully payable within 5 years from the date of the sale and shall bear interest at a rate equal to that authorized under Title 31 of the Revised Statutes, as amended and supplemented, and the regulations issued pursuant thereto, or the rate last paid by the county or municipality upon any issue of notes pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes), whichever is highest. The governing body may, by resolution, fix the time for closing of title and payment of the consideration.

In all sales made pursuant to this section, the governing body of any county or municipality may provide for the payment of a commission to any real estate broker, or authorized representative other than the purchaser actually consummating such sale, but said commissions shall not exceed, in the aggregate, 5% of the sale price, and be paid, where there

has been a public sale, only in the event that the sum of the commission and the highest bid price does not exceed the next highest bid price (exclusive of any realtor's commission).

Source: R. S. 40:32–8, amended 1950, c. 50; 40:60–26, amended 1938, c. 300; 1939, c. 66; 1939, c. 344; 1944, c. 160; 1946, c. 106; 1947, c. 417; 1948, c. 245; 1957, c. 86; 40:60–27; 40:32–9; 40:60–29; 40:60–37; 40:9–1; 40:60–39, amended 1947, c. 305; 1950, c. 3, s. 1; 1961, c. 96, s. 1; 40:60–40, amended 1950, c. 3, s. 2; 1961, c. 96, s. 2; 40:60–36; C. 40:60–38.1 (1964, c. 109).

30. *Page 8, Section 16, Lines 1 to 8:* Delete the present language and insert in lieu thereof the following:

16. Leasing of county or municipal real property, capital improvements or personal property. Any county or municipality may lease any real property, capital improvement or personal property not needed for public use as set forth in the resolution or ordinance authorizing the lease, other than county or municipal real property otherwise dedicated or restricted pursuant to law, and except as otherwise provided by law, all such leases shall be made in the manner provided by this section.

(a) In the case of a lease to any private person, said lease shall be made by public letting to the highest bidder after advertisement thereof in a newspaper circulating in the municipality or municipalities in which the leasehold is situated by 2 insertions at least once a week during 2 consecutive weeks; the lease publication to be not earlier than 7 days prior to the letting of the lease. The governing body may, by resolution, fix a minimum rental with the reservation of the right, to reject all bids where the highest bid is not accepted. Notice of such reservation shall be included in the advertisement of the letting of the lease and public notice thereof shall be given of the time of the letting of the lease. Such resolution may provide that upon the completion of the bidding, the highest bid may be accepted or all of the bids may be rejected. It shall also set out the conditions, restrictions and limitations upon the tenancy subject to the lease. Ac-

ceptance or rejection of the bid or bids shall be made not later than at the second regular meeting of the governing body following the opening of the bids, and, if the governing body shall not so accept such highest bid, or reject all bids, said bids shall be deemed to have been rejected. Any such award may be adjourned at the time advertised for not more than one week without readvertising.

(b) In the case of a lease to a public body, the lease may be upon such terms and conditions and for nominal or other consideration as the governing body of the county or municipality shall approve by ordinance or resolution.

(c) In the case of a lease to a non-profit corporation for a public purpose, the lease shall be authorized by resolution, in the case of a county, or by ordinance, in the case of a municipality, and may be for nominal or other consideration. Said authorization shall include the nominal or other consideration for the lease; the name of the corporation or corporations who shall be the lessees; the public purpose served by the lessee; the number of persons benefiting from the public purpose served by the lessees, whether within or without the municipality in which the leasehold is located; the term of the lease, and the officer, employee or agency responsible for enforcement of the conditions of the lease. Said ordinance or resolution shall also require any non-profit corporation holding a lease for a public purpose pursuant to this section, to annually submit a report to the officer, employee or agency designated by the governing body, setting out the use to which the leasehold was put during each year, the activities of the lessee undertaken in furtherance of the public purpose for which the leasehold was granted; the approximate value or cost, if any, of such activities in furtherance of such purpose; and an affirmation of the continued tax-exempt status of the non-profit corporation pursuant to both State and Federal law.

31. *Page 8, Section 17, Lines 1 to 19:* Delete the present language and insert in lieu thereof the following:

17. Purposes for which leases for a public purpose may be made. A leasehold for a term not in excess of 50 years may be made pursuant to this act and extended for an additional 25 years by ordinance or resolution thereafter for any county or municipal public purpose, including, but not limited to:

(a) The provision of fire protection, first aid, rescue and emergency services by an association duly incorporated for such purposes.

(b) The provision of health care or services by a non-profit clinic, hospital, residential home, out-patient center or other similar corporation or association.

(c) The housing, recreation, education or health care of veterans of any war of the United States by any non-profit corporation or association.

(d) Mental health, or psychiatric services or education for the mentally ill, mentally retarded, mentally defective by any non-profit corporation or association.

(e) Any shelter care or services for persons aged 62 or over receiving Social Security payments, pensions, or disability benefits which constitute a substantial portion of the gross income by any non-profit corporation or association.

(f) Services or care for the education or treatment of cerebral palsy patients by any non-profit corporation or association.

(g) Any civic or historic programs or activities by duly incorporated historical societies.

(h) Services, education, training, care or treatment of poor or indigent persons or families by any non-profit corporation or association.

(i) Any activity for the promotion of the health, safety, morals and general welfare of the community of any non-profit corporation or association.

In no event shall any lease under this section be entered into for, with, or on behalf of any commercial, business, trade, manufacturing, wholesaling, retail-

ing, or other profit-making enterprise, nor shall any lease pursuant to this section be entered into with any political, partisan, sectarian, denominational or religious corporation or association, or for any political, partisan, sectarian, denominational or religious purpose.

Source: C. 40:32–13.3 (1960, c. 34); C. 40:60–40.1 (1947, c. 87, amended 1964, c. 215); C. 40:60–40.2 (1948, c. 246, amended 1949, c. 61, s. 2); C. 40:60–40.3 (1948, c. 246); C. 40:60–40.4 (1949, c. 61, s. 3); C. 40:60–40.5 (1954, c. 143, amended 1955, c. 127; 1964, c. 75, s. 2); C. 40:60–51.6 (1957, c. 148); C. 40:32–20 (1958, c. 87, amended 1960, c. 185, s. 2; 1963, c. 188, s. 2); R. S. 40:32–7; 40:32–13; C. 40:32–13.3 (1960, c. 34); R. S. 40:60–43, amended 1962, c. 132; 1964, c. 110); R. S. 40:60–44; 40:60–45; C. 40:60–45.1 (1940, c. 145); C. 40:60–45.2 (1947, c. 316); C. 40:60–45.3 (1950, c. 184 amended 1951, c. 132, s. 2; 1955, c. 130; 1957, c. 105; 1965, c. 149; 1966, c. 253, s. 1); C. 40:60–45.4 (1954, c. 184 amended 1966, c. 35); C. 40:60–45.5 (1965, c. 228); C. 40:60–51.11 (1964, c. 71).

32. *Pages 8 and 9, Section 18, Lines 1 to 22:* Delete the present language and insert in lieu thereof the following:

18. Conveyance of real property subject to referendum. In any case in which a county or municipality shall determine, in the case of a municipality, by ordinance and a county, by resolution, that it is in the public interest to convey a title or interest other than a leasehold interest pursuant to sections 16 and 17 of this act, it may convey such title or interest only as provided herein. Said ordinance or resolution shall set out in clear and simple terms, in addition to the matter required by section 16 of this act, a statement of the reasons why a leasehold interest will not adequately serve the public purpose for which a conveyance is to be made. The conveyance may be made subject to such terms and conditions as are directly related to the public purpose to be served and shall include a right of reversion to the county or municipality in any case in which the non-profit corporation or association to whom such real property is conveyed shall fail to comply with said terms or conditions. The ordinance or resolution shall not become oper-

ative until approved by a majority of the legal voters of the county or municipality voting on the proposition at a general election, pursuant to Section 19 of this act.

33. *Page 9, Section 19, Lines 1 to 15:* Delete the present language and insert in lieu thereof the following:

19. Procedure for conveyance of real property for a public purpose.

(a) Public notice of the submission of the proposition shall be given by advertisements signed by the county or municipal clerk and posted in at least 10 public places in the county or municipality and also published in at least 2 newspapers printed or having a substantial circulation in the county or municipality at least 20 days before the election.

(b) The proposition to be submitted shall be placed upon the official ballots to be used at such election in substantially the following form:

"To vote upon the public question printed below, if in favor thereof mark a cross (×) or plus (+) in the square at the left of the word YES, and if opposed thereto mark a cross (×) or plus (+) in the square at the left of the word NO.

	☐ YES	"Shall the following described real property be conveyed, subject to the following described conditions and limitations, to (insert herein the name of the non-profit corporation to whom the land will be conveyed) for the public purpose of (insert herein the public purpose to be served by the conveyance)? (Here insert short description of the real property)."
	☐ NO	

34. *Page 10, Section 20, Line 20:* Insert after the word "purposes." the following sentences:

For purposes of this section, any land to be exchanged by the county or municipality shall be valued

at not less than the amount for which it was acquired or in the case of an acquisition by gift or devise, in an amount of not less than the "full and fair value" of the land as determined by the assessor of the municipality in which it is located pursuant to Section 54:4–23 of the Revised Statutes for the tax year in which the land was acquired by the county or the municipality. Any land which shall be conveyed to the county or municipality in exchange for any county or municipal land shall be valued at no more than the "full and fair value" determined for the land by the assessor of the municipality in which the land is located pursuant to Section 54:4–23 of the Revised Statutes for the then current tax year. In any case in which the value of the county or municipal land to be exchanged exceeds the value of the land to be received by the county or municipality, the county or municipality shall exact additional cash consideration, as authorized herein, equal to the difference of the two values as determined pursuant to this section.

35. *Page 10, Section 21, Line 2:* After the word "of" and before the word "not" delete the word "lands" and insert in lieu thereof the phrase "real property, capital improvements or personal property".

36. *Page 10, Section 22, Lines 1 to 10:* Delete the present language and insert in lieu thereof the following:

OTHER MATTERS

22. Federal aid. Every county or municipality making an acquisition, sale, lease or exchange pursuant to this act may apply for, receive and expend such grants, loans, gifts and aids as may be made available to it for such purposes from any source whatsoever, including, but not limited to, the United States of America or any agency or department thereof; the State of New Jersey or any agency or department thereof; or any political subdivision of this State; or any corporation, person, association or society.

37. *Pages 10 and 11, Section 23, Lines 1 to 23:* Delete the present language and insert in lieu thereof the following:

23. Acquisition on Behalf of Another Public Body. Any county or municipality may acquire, sell, lease or

exchange, pursuant to this act, any real property, capital improvement or personal property in trust for, on behalf of, or as agent for, any other political subdivision or body corporate and politic of this State or the United States of America, or any department or agency thereof, upon such terms and conditions as the governing body of the municipality, by ordinance, or the county, by resolution, shall adopt.

38. *Page 11, Section 24, Lines 1 to 17:* Delete the present language and insert in lieu thereof the following:

24. Conflict of Interest.

(a) No member of a governing body, officer or employee of any county or municipal agency, board, commission, department or authority exercising powers pursuant to this act, or members of his immediate family, shall participate in, or in any way influence any proceeding before such body involving an acquisition, sale, lease or exchange of any real property, capital improvement or personal property pursuant to this act, if such member, officer or employee has:

(1) Any proprietary or financial interest, either direct or indirect, in the real property, capital improvement or personal property, that is the subject of the proceeding, or

(2) Any business or financial relationship with the owner, contract purchaser or lessee of such real property, capital improvement or personal property or any agent of such parties including, but not limited to, brokers, attorneys, assessors or appraisers.

(b) The governing body of a municipality, by ordinance, or a county, by resolution, shall provide that all members of the governing body or employees of the county or municipality empowered to prepare or adopt specifications, terms, conditions or related matters for any acquisition, sale, lease or exchange pursuant to this act shall make full disclosure in writing of any interest referred to in paragraph (a) above in the county or municipality, that such statement shall be made prior to the considerations of any negotiations

or transaction pursuant to this act and shall be filed with the presiding officer of such governing body.

(c) For the purposes of this section "proprietary or financial interest, either direct or indirect in the real property, capital improvement or personal property" means any form of ownership of or interest in the real property, capital improvement or personal property or of the firm or corporation owning or having interest in the real property, capital improvement or personal property whereby the member or employee would or could receive economic gain as a result of dealing with the real property, capital improvement or personal property or the improvements thereon and whether such ownership or interest is held by the member, officer or employee or by his spouse or by his minor natural, adopted, or stepchildren or by any other relations of the member resident in his home or by his private business firm; provided, however, that the member, officer or employee or his immediate family shall not be considered to have a proprietary or financial interest if such interest is represented by ownership of less than 10% of the authorized and issued stocks or bonds of any particular class of a corporation that owns or has an interest in the real property, capital improvement or personal property.

(d) For the purposes of this section, "business or financial relationship" shall mean any form of contractual, financial or economic relationship based upon an agreement enforceable at law or in equity between the member, officer or employee, or a member of his immediate family, or his private business firm and the owner, contract purchaser, or leases of such real property, capital improvement or personal property, provided however, that business or financial relationship shall not include ordinary contractual relationships between the member, officer or employee and a public utility for the provision of utility services or between the member, officer or employee and a retail establishment relating to

customary credit, time purchase or charge account transactions, nor shall include agreements between the member, officer or employee and any party that are fully executed and complete.

(e) This section shall not be construed to in any way repeal, modify, or prevent the application of existing statutes, ordinances or decisions of general application prohibiting or regulating conflicts of interest of public officials.

(f) The governing body may, by ordinance, adopt additional or supplementary conflict of interest rules not inconsistent with this section. Any person who violates the provisions of this section or of any ordinance adopted under this section shall be subject to immediate removal from office and shall be punishable by fine not to exceed $1,000.00.

(g) The violation of this section by a member of a governing body shall not be grounds for setting aside any action of the agency, unless (1) a contrary decision would have been reached without the vote of such member, and (2) written notice of such violation is given to the municipal clerk within two years of such decision. Any acquisition, sale, lease or exchange made in violation of this section may be set aside by the governing body of the county or municipality if it determines that such an action would be in the best interest of the county or municipality, and the real property, capital improvement or personal property which was the subject of the acquisition, sale, lease or exchange has not subsequently been sold, leased or exchanged to any person not a party to the original transaction and not having notice of any violation of this section at the time it was committed.

(h) "Member of his immediate family" means (1) the spouse and all minor natural, adopted, and stepchildren of the person, and (2) all other relatives by blood, marriage or adoption if such relatives reside with the person in his home or in one of his houses.

39. *Pages 11, 12 and 13, Section 25, Lines 1 to 65:* Delete the present language and insert in lieu thereof the following:

25. Investigations.

(a) When any real property, capital improvements or personal property shall have been acquired, sold, leased, or exchanged by any county or municipality pursuant to this act, and the grand jury sitting in the county shall have presented to the court that there is evidence of failure to fulfill specifications, enforce or impose conditions, restrictions or limitations required herein, or unwarranted preferences in any of the said transactions, which is not sufficient for indictment pursuant to Chapter 135 of Title 2A of the New Jersey Statutes, the governing body of the county or municipality shall present to a judge of the Superior Court, a request to make a summary investigation into said transactions. The judge may, in his discretion, make such an investigation. The said judge may, in his discretion, appoint experts to prosecute the investigation and cause the result to be published in such manner as he may deem proper. All members, officers, employees and agents of the board, commission, committee or other body making the acquisition, sale, lease or exchange, shall obey the orders of such judge for facilitating the investigation, and any failure or refusal to obey such orders may be punished by the judge as for contempt. The costs incurred under this section shall be fixed by the judge, and his order be paid by the disbursing officers of the board, commission, committee or other body whose expenditures have been investigated.

(b) Nothing herein shall in any way limit the power, duty or authority of the Director of the Division of Local Finance from undertaking such investigations, inquiries, or holding of such hearings with regard to any acquisition, sale, lease or exchange pursuant to his act as may be authorized pursuant to the "Local Government Supervision Act (1947)", P. L. 1947, c. 151 (C. 52:27BB–1 to 52:27BB–100, as amended and supplemented).

The Director shall present any evidence of any violation of this act, or of Chapter 135 of Title 2A of the New Jersey Statutes, or any other act resulting from a transaction pursuant to this act to the prosecutor of the county in which the violation occurred or to the Attorney General forthwith.

Source: C. 40:32–4 (1953, c. 37).

40. *Page 13, Section 27, Lines 1 to 9*: Delete the present language and insert in lieu thereof the following:

27. Burial grounds for indigents; removal and reinterment of bodies; sale of land.

(a) Whenever a municipality owns lands which have been used for the burial of indigents but have not been used for such purposes for 20 or more years, the governing body of the municipality may, by ordinance, determine that it is for the best interests of the municipality to cause the removal and reinterment of the bodies interred therein to a more suitable place. In the event of any such determination, the governing body of the municipality may, by resolution, provide for the disinterment and reinterment of the said bodies and after the removal of the said bodies if the governing body of the municipality shall, by resolution, determine that the lands from which the bodies have been so removed are not needed for public use may sell or lease the same as in the case of other lands not needed for public use pursuant to the provisions of this act.

(b) Prior to the adoption of an ordinance pursuant to this section, a public hearing thereon shall be held before the governing body which shall be noticed by advertisement published once each week for 2 weeks in a newspaper published or circulating in the municipality. Notice shall also be sent to the last known address of any next of kin of persons to be disinterred pursuant to this section. The notice shall contain a description of the lands involved and of the action proposed by the ordinance.

(c) The cost of the removal of the bodies and of the acquisition of the lands wherein the bodies shall

be reinterred shall be deemed to be a municipal expense and municipal funds may be appropriated to provide for the payment of the said expense, or the necessary funds may be provided for by requiring the purchaser of said lands to assume such expense as a condition of the purchase. The next of kin of any person disinterred pursuant to this section may elect to have the body or bodies disinterred, cremated or elsewhere interred at municipal expense.

Source: C. 40:60–51.8; C. 40:60–51.9 (1953, c. 127).

41. *Page 13, Section 29, Lines 1 to 7:* Delete Section 29 in its entirety.

42. *Page 13, Section 30, Line 1:* Delete the number "30." and insert in lieu thereof the number "29.".

43. *Page 14, Section 31, Lines 1 to 10:* Delete Section 31 in its entirety and insert in lieu thereof the following:

30. Construction. The language and terms of this act shall be construed broadly, in order that counties and municipalities may have all of the powers necessary and incident to the efficient and economical execution of their public functions, and in order that the officers and employees of counties and municipalities shall have clear and unambiguous standards of conduct in dealing with public real property, capital improvements or personal property and monies.

44. *Page 14, Section 32, Lines 1 to 7:* Delete Section 32 in its entirety and insert in lieu thereof the following:

31. Saving Clause. Any acquisition, sale, lease or exchange made prior to the effective date of this act, pursuant to any act repealed or amended pursuant to this act, is hereby validated, confirmed and continued, except that no lease shall be renewed or extended, except in accordance with the provisions of this act.

45. *Page 14, Section 33, Lines 1 to 19:* Delete Section 33 in its entirety.

46. *Pages 14 and 15, Section 34, Lines 1 through 46:* Delete Section 34 in its entirety.

47. *Between Section 34, Line 46 and Section 35, Line 1:* Delete the heading "COUNTIES, COUNTY PARK COMMISSIONS AND MUNICIPALITIES".

48. *Pages 15 and 16, Section 35, Lines 1 through 16:* Delete Section 35 in its entirety.

49. *Between Section 35, Line 16 and Section 36, Line 1:* Delete the heading "COUNTIES".

50. *Page 16, Section 36, Lines 1 to 8:* Delete Section 36 in its entirety.

51. *Between Section 36, Line 8 and Section 37, Line 1:* Delete the heading "CITIES, FIRST AND SECOND CLASS".

52. *Page 16, Section 37, Lines 1 to 6:* Delete Section 37 in its entirety.

53. *Page 16, Section 38, Line 1:* Delete the number "38." and insert in lieu thereof the number "32."

54. *Page 16, Section 38, Line 7:* Insert after "40:60–9;" and before "40:60–26" the following:

> 40:60–10; 40:60–11; 40:60–12; 40:60–13; 40:60–14; 40:60–15; 40:60–16; 40:60–17; 40:60–18; 40:60–19; 40:60–20; 40:60–21; 40:60–22; 40:60–23; 40:60–24; and after "40:60–27" and before "40:60–29" insert "40:60–28".

55. *Page 17, Section 38, Line 30:* After "(C. 40:60–45.5)" insert ", also L. 1942, c. 138 (C. 40:60–25.1 to 40:60–25.6); L. 1943, c. 33 (C. 40:60–51.2); L. 1944, c. 206 (C. 40:60–25.7 to 40:60–25.17); L. 1944, c. 207 (C. 40:69–4.1 to 40:69–4.12); L. 1946, c. 245 (C. 40:60–25.18 to 40:60–25.26); L. 1946, c. 302 (C. 40:60–25.27 to 40:60–25.32); L. 1947, c. 322 (C. 40:60–28.1); L. 1953, c. 403 (C. 40:60–51.5); L. 1958, c. 118, (C. 40:60–51.7); L. 1958, c. 147 (C. 40:60–25.47 to 40:60–25.50); L. 1962, c. 86 (C. 40:60–49.1); L. 1963, c. 127 (C. 40:60–51.8 to 40:60–51.10); L. 1964, c. 173 (C. 40:60–40.6); L. 1965, c. 133 (C. 40:60–25.51 to 40:60–25.52); L. 1966, c. 298 (C. 40:60–25.54 to 40:60–25.56); L. 1967, c. 11 (C. 40:60–25.57 to 40:60–25.60)."

56. *Page 17, Section 39, Line 1:* Delete the number "39." and insert in lieu thereof the number "33."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 284 (2ND OCR)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 284, with my objections, for reconsideration.

Senate Bill No. 284 is a revision of the law relating to the purchase of work, materials and supplies by units of local government. Generally speaking, it represents a considerable step forward in clarifying the law which regulates the law under which such purchases are made. Among other things, it adds a new provision relating to the sale of public property, which previously had only been required by judicial construction, and thereby clarifies the standards for such sales.

The bill strives, as I have in reviewing it, to strike a careful balance between two conflicting interests. On the one hand, our units of local government should be given as much flexibility as possible in meeting their operating and purchasing needs. The conditions of purchase and sale should be realistically adapted to the practicalities of day-to-day transactions. On the other hand, there is the interest of the public, and the taxpayer in particular, in securing the lowest possible prices for local government purchases. In addition, such prices should be the result of open and competitive bidding wherever possible in order to remove even the appearance of favoritism or unwanted preferences in public purchasing.

As I commented in my conditional veto of Senate Bill No. 283, the subject matter of these bills is dry and uninspiring. Only their failure to secure the efficient and economic operation of government arouses the public's ire. That is all the more reason, as in the case of Senate Bill No. 283, for careful review.

I am hereby recommending a number of changes which are totally consistent with the spirit of the draftsmen of the bill, but which would appear to make it more capable of obtaining its objectives. In summary they are:

—In the last few years the Legislature has enacted two bills which allow a county or the State to make purchases on behalf of units of local government. Their purpose was to pass on to counties and municipalities the savings that result from bulk buying and quantity discounts. I believe we should take advantage of the success that this legislation has had in passing on considerable savings to local taxpayers. Two changes, in particular, in Senate Bill No. 284 seem reasonable. First, in those cases in which public bidding has failed to produce any bids or bids have been rejected because they are unreasonably high, the contracting unit should be required to determine whether he can purchase his needs from the State or the county through their contracts prior to entering into private negotiations. If the contracting unit's needs can be met in this way, there would appear to be no reason to allow it to negotiate privately a higher price at greater costs to the taxpayer. The same is true for the series of small purchases under $2,500, for which no public bidding is required. They are usually the very type of purchases where combined buying power of the State and our counties and municipalities can result in substantial savings. This requirement should not only result in lower operating costs to local government, but also limit the potential for favoritism inherent in any private negotiations.

—At the other end of the spectrum is the inflexibility of the present bidding laws, which fail to make clear the procedure to be followed when no bids are received, or when the lowest bid received is unreasonably high, or has been arrived at through collusive bidding tactics. The latter case was recently highlighted by the Report of the State Committee on Investigations regarding the

bidding for garbage collection and disposal services. I have suggested language which should allow local government the flexibility of rejecting such bids while protecting the public from unscrupulous dealings. A private purchase in such circumstances will be made only on the approval of two-thirds of the governing body and after notice of the alleged collusive practices to the county prosecutor and Attorney General.

—Often, however, local government has been guilty of unnecessarily restricting the number of persons which could bid on public contracts through overly strict specifications or standards for the pre-qualification of bidders. I am therefore recommending a change in Senate Bill No. 284, which will require that such standards or specifications promote free, open and competitive bidding, rather than discourage it. In particular, standards for qualification of bidders should be rejected if they make it possible for small businesses to compete or ensure that only one bidder will be qualified. They should also be adopted after adequate public hearings.

I have also recommended numerous other changes of lesser scope. For instance, I see no reason why there cannot be competitive bidding for the purchasing of automobiles. In addition, purchases by local government units in amounts of more than $2,500 should be made only through a contract or agreement, and not through more informal purchasing procedures.

On the other hand, I have not suggested changes in areas that also merit consideration. I am not recommending, for instance, a conflicts of interest provision with this bill because I expect to present shortly to the Legislature a general local conflicts of interest bill. Nor have I tried to expand the coverage of this bill to include local agencies which are not encompassed by its terms. It would also appear prudent for the State of New Jersey to determine the flexibility of providing for independent laboratory and field testing of those products used by both State and local government, so that we may be sure that we are getting our money's worth. It hardly seems appropriate that the billions of dollars spent by both State and local government should go into purchasing materials which we are not sure meet rigid standards of performance and reliability. It is my sincere hope that the draftsmen of this bill will carry their work further into this area.

All in all, Senate Bill No. 284, with the changes I have recommended, represents a constructive attempt to provide a realistic framework for local purchasing policies. I therefore respectfully recommend the following changes in Senate Bill No. 284:

1. *Page 1, Section 2, Line 8:* Insert after the word "agency," and before the word "which" the phrase "which is not a state board, a commission or agency, and".

2. *Page 1, Section 2, Line 9:* After the word "district" and before the word "or" insert the word "project,".

3. *Page 2, Section 2, Line 33:* Delete the phrase "Source: New." and insert in lieu thereof the following subsections:

(4) "Purchase" includes an acquisition by sale, lease, exchange, discount, negotiation, mortgage, pledge, lien, issue or reissue, or any other voluntary transaction for consideration creating an interest in property not made by contract or agreement.

(5) "Materials" includes goods subject to Article 2 of Title 12A of the New Jersey Statutes, apparatus, or any other tangible thing, except real property and capital improvements subject to Chapters 32 and 60 of Title 40 of the Revised Statutes relating to lands and buildings.

(6) "Professional services" means services rendered by a profession or occupation subject to licensing, control or regulation by the State of New Jersey or any board, commission, agency, department or branch thereof.

(7) "Project" means any work, undertaking, development, redevelopment, construction or reconstruction of any area or areas.

(8) "Sale" means the conveyance of any interest in materials or supplies, by sale, lease or otherwise and shall include a security interest subject to Chapter 9 of Title 12A of the New Jersey Statutes.

Source: New.

4. *Page 2, Section 3, Line 8:* Insert after the word "immediate" and before the word "project" the phrase "program, undertaking, activity or".

5. *Page 2, Section 3, Line 13:* Insert after the word "law." the following sentences:

> Whenever any such purchase or acquisition may be made at a lower cost to the contracting unit through an open-end contract of the state or county, the contracting unit shall, except as provided herein, make its purchases or acquisitions pursuant to Sections 11 or 12 of this act. In any case in which a purchase is not made in the manner prescribed, the contracting agent shall state, in the resolution authorizing the purchase, the reasons why no purchase or acquisition can be made pursuant to Sections 11 or 12 of this act, and why acquisition in the said manner would not meet the requirements and specifications of the contracting unit.

6. *Page 2, Section 4, Line 1:* Delete the words "Purchases, contracts" and insert in lieu thereof the word "Contracts".

7. *Page 2, Section 4, Line 2:* After the word "Every" and before the word "contract" delete the word "purchase,".

8. *Page 2, Section 4, Line 7:* After the word "bids" and before the word "bidding" delete the word "or" and insert in lieu thereof the word "and".

9. *Page 2, Section 4, Line 8:* After the word "law." insert the following sentence:

> No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $2,500.00, except by contract or agreement.

10. *Page 3, Section 5, Line 6:* Delete the phrase "Personal or professional services" and insert in lieu thereof the phrase "Professional services".

11. *Page 3, Section 5, Lines 18 and 19:* Delete "(g) The hiring or purchase of motor vehicles or the purchase of livestock,".

12. *Page 3, Section 5, Line 20:* Delete the letter "(h)" and insert in lieu thereof the letter "(g)".

13. *Page 3, Section 5, Line 25:* Delete the letter "(i)" and insert in lieu thereof the letter "(h)"; and after the word "of" and before the word "labor" insert the word "supplementary".

14. *Page 3, Section 5, Line 28:* Insert after the word "storm," the phrase "when the need for the hiring of such labor or equipment is not reasonably foreseeable,".

15. *Page 3, Section 5, Line 30:* After the word "America" and before the word "the" delete the word "or" and insert in lieu thereof a ","; and after the words "New Jersey" and before the word "or" insert the phrase "county or municipality".

16. *Page 3, Section 5, Line 31:* After the word "authority" delete the phrase ", or either." and insert in lieu thereof the word "thereof.".

17. *Page 3, Section 5, Between Lines 31 and 32, insert new subsections (3) and (4) as follows:*

(3) The contracting unit has advertised for bids pursuant to Section 4 on two occasions and has received no bids in response to its advertisement, and no board, body, officer, agency or authority of the United States, the State of New Jersey or any county or municipality is willing and able to perform any work or furnish or hire any materials or supplies usually required in conformity with the specifications of the municipality. Any such contract or agreement may be made, negotiated or awarded only upon adoption by the affirmative vote of two-thirds of the full membership of the governing body of the contracting unit of an ordinance, in the case of a municipality, or a resolution, in the case of a county, authorizing such a contract or agreement. No such contract or agreement may extend for a period greater than the term of the governing body or one year, whichever is greater, nor shall the terms, conditions or specifications specified pursuant to Section 4 be in any way amended or modified.

(4) The contracting unit has advertised for bids pursuant to Section 4 and the governing body thereof has rejected such bids because the contracting unit has determined that they are not reasonable as to price on the basis of cost estimates prepared for the contracting unit prior to the advertising therefor or have not been independently arrived at in open competition, but no such contract or agreement may be entered into after such rejection of bids, unless:

(a) Notification of the intention to negotiate and a reasonable opportunity to negotiate shall have been given by the contracting unit to each responsible bidder, and

(b) The negotiated price is lower than the lowest rejected bid price of a responsible bidder who bid thereon and is the lowest negotiated price offered by any responsible supplier and is a reasonable price for such work materials, supplies or services; and

(c) The contract or agreement is made subject to the same terms, conditions, restrictions and specifications as were the subject of competitive bidding pursuant to Section 4 of this act; and

(d) The negotiated price is lower than the price of the same or equivalent materials or supplies available from the State or the county in which the contracting unit is located.

Whenever a contracting unit shall determine that a bid was not arrived at independently in open competition pursuant to this subsection 4 of Section 5, it shall thereupon notify the county prosecutor of the county in which the contracting unit is located and the Attorney General of the facts upon which its determination is based, and when appropriate, it may institute appropriate proceedings in any state or federal court of competent jurisdiction for a violation of any state or federal anti-trust law or laws relating to the unlawful restraint of trade.

Any such contract or agreement may be made, negotiated or awarded only upon adoption by the affirmative vote of two-thirds of the full membership of the governing body of the contracting unit of an ordinance, in the case of a municipality, or a resolution, in the case of a county, authorizing such a contract or agreement.

18. *Page 5, Section 7, Line 14:* After the word "project" and before the word "which" insert the phrase ", program, activity or undertaking".

19. *Page 5, Section 8, Line 1:* After the word "proposals" and before the word "or" insert the word ", work".

20. *Page 5, Section 8, Line 4:* After the word "all" and before the word "materials" insert the word "work,".

21. *Page 5, Section 8, Line 8:* After the word "such" and before the word "materials" insert the word "work,".

22. *Page 6, Section 9, Lines 2 and 3:* After the word "ordinance," insert the phrase "in the case of a municipality, and resolution, in the case of a county,".

23. *Page 6, Section 9, Line 7:* After the word "ordinance," and before the word "prescribe" insert the phrase "or resolution".

24. *Page 6, Section 9, Line 13:* After the word "ordinance" and before the word "prescribe" insert the phrase "or resolution".

25. *Page 6, Section 10, Line 1:* After the word "Joint" and before the word "agreements" delete the word "municipal"; after the word "of" and before the word "material" insert the word "work,".

26. *Page 6, Section 10, Line 3:* Delete the word "municipalities" and insert in lieu thereof the phrase "contracting unit or school district".

27. *Page 6, Section 10, Line 4:* After the word "of" and before the word "materials" insert the word "work,".

28. *Page 6, Section 10, Line 5:* Delete the word "municipalities" and insert in lieu thereof the word "jurisdictions".

29. *Page 6, Section 10, Line 6:* Delete Line 6 in its entirety.

30. *Page 6, Section 11, Line 1:* Delete the phrase "11. Adoption; terms." and insert in lieu thereof "(a)".

31. *Page 6, Section 11, Line 2:* After the word "ordinances" and before the word "adopted" insert the phrase "or resolutions".

32. *Page 6, Section 11, Line 3:* After the word "of" and before the word "materials" insert the word "work,".

33. *Page 6, Section 11, Line 6:* Delete the word "municipality" and insert in lieu thereof the phrase "contracting unit or school district".

34. *Page 6, Section 11, Line 8:* Delete Line 8 in its entirety.

35. *Page 6, Section 12, Line 1:* Delete Line 1 in its entirety and insert in lieu thereof "(b) Each contracting unit's and school district's".

36. *Page 6, Section 12, Line 4:* Delete the word "municipality" and insert in lieu thereof the phrase "contracting unit or school district".

37. *Page 6, Section 12, Line 5:* Delete Line 5 in its entirety and insert in lieu thereof "Source: C. 40:50–7.1 to 40:50–7.3 (1964, c. 245).".

38. *Page 6, Section 13, Line 1:* Delete the phrase "13. County and municipal" and insert in lieu thereof the phrase "11. Additional matters regarding".

39. *Page 6, Section 13, Line 2:* After the word "of" and before the word "materials" insert the word "work,".

40. *Pages 6 and 7, Section 13, Lines 3 to 16:* Delete the present language and insert in lieu thereof the following:

(1) The contracting units or school districts entering into a joint agreement pursuant to Section 10 of this act may designate a joint purchasing agent, department or board pursuant to Section 9 of this act. Any such agent, board or department already designated pursuant to Section 9 may serve as the joint agent, department or board designated pursuant to this section.

(2) Purchases, contracts or agreements made pursuant to a joint purchasing agreement shall be subject to all of the terms and conditions of this act.

(3) Any county, municipality or school district serving as a purchasing agent, board or department pursuant to this Section 11, may make an appropriation to enable it to perform any such contract and may anticipate as revenue payments to be made and received by it from any other party to the agreement. The agreement and any subsequent amendment or revisions thereto shall be filed with the Director of the Division of Local Finance in the Department of Community Affairs. The purchasing agent, pursuant to such an agreement, shall also annually file with the Director a report of any purchases, contracts or agreements and the amounts thereof annually. The director may, by regulation, specify the form and content of such reports.

41. *Page 7, Section 13, Line 17:* After the word "Source:" delete the word "New." and insert in lieu thereof "C. 40:23–6.34 to 40:23–6.37 (1967, c. 288) amended 1968, c. 422.".

42. *Page 7, Section 13, Line 17:* Insert after Line 17 of Section 13 and before the heading "E. CONTRACTS, FORM AND CONTENTS" a new Section 12 as follows:

12. Purchases through state agency. Any contracting unit under this act may without advertising for bids, or having rejected all bids obtained pursuant to advertising therefor, purchase any materials, supplies or equipment under any contract or contracts for such materials, supplies or equipment entered into on behalf of the State by the Division of Purchase and Property in the Department of the Treasury.

43. *Page 7, Section 13, Line 17:* Following the new Section 12 inserted above, and before Section 14, Line 1: Delete the heading "E. CONTRACTS, FORM AND CONTENTS" and insert in lieu thereof the following:

E. SPECIFICATIONS

13. Specifications. Any specifications for an acquisition under this act, whether by purchase, contract or agreement, shall be drafted in a manner to encourage free, open and competitive bidding. In particular, no specifications under this act may:

(a) Require any standard, restriction condition or limitation not directly related to the purpose, function or activity for which the purchase, contract or agreement is made; or

(b) Require that any bidder be a resident of, or that his place of business be located in, the county or municipality in which the purchase will be made or the contract or agreement performed, unless the physical proximity of the bidder is requisite to the efficient and economical purchase or performance of the contract or agreement; or

(c) Discriminate on the basis of race, religion, creed, national origin; or

(d) Require, with regard to any purchase, contract or agreement, the furnishing of any "brand

name'', but may in all cases require ''brand name or equivalent'', except that if the materials to be supplied or purchased are patented or copyrighted, such materials or supplies may be purchased by specification in any case in which the ordinance or resolution authorizing the purchase, contract, sale or agreement so indicates, and the special need for such patented or copyrighted materials or supplies is directly related to the performance, completion or undertaking of the purpose for which the purchase, contract or agreement is made; or

(e) Fail to include any option for renewal, extension, or release which the contracting unit may intend to exercise or require; or any terms and conditions necessary for the performance of any extra work; or fail to disclose any matter necessary to the substantial performance of the contract or agreement.

Any specification adopted by the governing body, which knowingly excludes prospective bidders by reason of the impossibility of performance, bidding or qualification by any but one bidder, except as provided herein, shall be null and void and of no effect and subject purchase, contract or agreement shall be readvertised, and the original purchase, contract or agreement shall be set aside by the governing body. No contracting unit setting aside a purchase, contract or agreement pursuant to this section shall be liable for damages therefor.

Source: New.

F. CONTRACTS, FORM AND CONTENTS

44. *Page 7, Section 16, Line 3:* Delete the word ''construction,''.

45. *Page 7, Section 16, Line 4:* Delete the words ''contracting unit'' and insert in lieu thereof the words ''political subdivision of this State''.

46. *Page 7, Section 16, Line 6:* After the word ''specifications'' and before the word ''prepare'' delete the word ''shall'' and insert in lieu thereof the word ''may''.

47. *Page 8, Section 16, Line 16:* After the word "law," insert the word "either".

48. *Page 8, Section 16, Line 17:* Delete the words "and also" and insert in lieu thereof the word "or".

49. *Page 8, Section 16, Line 19:* After the word "contract," and before the word "in" insert the phrase "or both,".

50. *Page 8, Section 16, Line 32:* After the word "the" and before the word "shall" delete the word "board" and insert in lieu thereof the words "contracting agent".

51. *Page 8, Section 16, Line 36:* After the word "the" and before the word "shall" delete the word "board" and insert in lieu thereof the words "contracting agent".

52. *Page 9, Section 18, Lines 1 to 6:* Delete the present language and insert in lieu thereof the following:

> 18. Liquidated damages. Any contract or agreement made pursuant to this act may include liquidated damages for the violation of any of the terms and conditions thereof or the failure to perform said contract or agreement in accordance with its terms and conditions, or the terms and conditions of this act.
>
> Source: New.

53. *Page 9, Section 18, Line 6:* Amend the heading "F. BIDDING REQUIREMENTS" so that it shall read "G. BIDDING REQUIREMENTS".

54. *Page 9, Section 19, Line 4:* After the word "owns" and before the word "or" insert the word ", leases,".

55. *Page 9, Section 19, Line 7:* After the word "owner" and before the word "of" insert the words "or lessee".

56. *Page 9, Section 19, Line 12:* After the word "contract." insert the following sentence:

> Any lease required pursuant to this section shall be for a period ending not earlier than 6 months next following the completion date prescribed pursuant to Section 17 of this act.

57. *Page 9, Section 19, Lines 2 and 3*: After the word "any" and before the word "for" delete the phrase "public

contract work'' and insert in lieu thereof the phrase ''contract or agreement''.

58. *Page 9, Section 20, Line 5:* After the word ''the'' and before the word ''is'' delete the word ''work'' and insert in lieu thereof the words ''contract or agreement''.

59. *Page 9, Section 21, Line 3:* After the word ''for'' and before the word ''every'' delete the phrase ''public works'' and insert in lieu thereof the phrase ''a contract or agreement''.

60. *Page 9, Section 21, Line 12:* After the word ''the'' and before the word ''and'' delete the phrase ''construction of the work'' and insert in lieu thereof the phrase ''performance of the contract or agreement''.

61. *Page 10, Section 21, Line 15:* After the word ''of'' and before the word ''and'' delete the phrase ''the work'' and insert in lieu thereof the phrase ''any work, project or facility''.

62. *Page 10, Section 22, Line 2:* Between the word ''for'' and the word ''bids'' insert the word ''sealed''.

63. *Page 10, Section 22, Line 21:* Amend the heading ''G. AWARDS AND EXECUTION OF CONTRACTS'' so that it shall read ''H. AWARDS AND EXECUTION OF CONTRACTS''.

64. *Page 10, Section 23, Line 5:* Correct the spelling of the word ''respsonsible'' to read ''responsible''.

65. *Page 11, Section 23, Line 8:* After the word ''and'' and before the word ''lowest'' delete the word ''the'' and insert in lieu thereof the phrase ''each of the 3''.

66. *Page 11, Section 23, Line 9:* Substitute the word ''bidders'' for the word ''bidder''.

67. *Page 11, Section 23, Line 12:* Substitute the word ''bids'' for the word ''bid''.

68. *Page 11, Section 23, Line 13:* Amend the heading ''H. QUALIFICATION OF BIDDERS'' so that it shall read ''I. QUALIFICATION OF BIDDERS''.

69. *Page 11, Section 24, Line 5:* After the word ''unit,'' and before the word ''which'' insert the phrase ''by the

class or category of work to be performed or materials and supplies to be furnished or hired".

70. *Page 11, Section 24, Line 7:* After the word "them" and before the word "in" insert the phrase "pertinent to and reasonably related to the class or category of work to be performed or materials and supplies to be furnished or hired".

71. *Page 11, Section 24, Line 12:* Delete the word "work" and insert in lieu thereof the word "contract".

72. *Page 11, Section 24, Lines 13 to 17:* Delete the present language and insert in lieu thereof the following new paragraph:

> Prior to the adoption of any such regulations, a contracting unit shall submit them to a public hearing. Notice of the hearing and a general description of the subject matter of the regulations to be adopted shall be published in not less than 2 newspapers circulating in the county or municipality in which the contracting unit is located. Publication shall precede by at least 20 days the date set in the notice for the hearing. The clerk or secretary of the governing body of the contracting unit shall keep a record of the proceedings and of the testimony of any citizen or prospective bidder within 10 days after the completion of the hearings. The proposed regulations and a true copy of the record of the hearings shall be forwarded to the Director of the Division of Local Finance for his approval. If the Director fails to approve or disapprove the regulations within 30 days of their receipt by him, they shall take effect without his approval. The Director may disapprove such proposed regulations only if he finds that:
>
> (a) They are written in a manner which will unnecessarily discourage full, free and open competition; or
>
> (b) They unnecessarily restrict the participation of small businesses in the public bidding process; or
>
> (c) They create undue preferences; or
>
> (d) They violate any other provision of this act, or any other law.

If the Director disapproves such proposed regulations within the 30-day period prescribed, they shall be of no force and effect and may not be required as a condition to the acceptance of a bid on any public contract by the contracting unit.

73. *Page 11, Section 24, Line 18:* After the word "his" insert the phrase "race, religion, national origin,".

74. *Page 11, Section 24, Line 19:* After the word "residence" insert the phrase "or business".

75. *Page 12, Section 27, Line 3:* After the word "work" and before the word "as" insert the phrase "or contracts".

76. *Page 13, Section 28, Line 25:* After the word "next" and before the word "of" delete the word "opening" and insert in lieu thereof the word "submission".

77. *Page 14, Section 31, Line 14:* Delete the number "6" and insert in lieu thereof the number "3".

78. *Page 15, Section 34, Line 7:* Amend the heading "I. CONTRACTS OF SPECIAL CHARACTER" so that it shall read "J. CONTRACTS OF SPECIAL CHARACTER".

79. *Page 15, Section 35, Line 2:* After the word "Any" and before the word "may" delete the word "municipality" and insert in lieu thereof the phrase "contracting unit".

80. *Page 15, Section 35, Line 8:* After the word "such" and before the word "where" delete the word "municipality" and insert in lieu thereof the phrase "contracting unit".

81. *Page 15, Section 35, Line 10:* Amend the heading "J. MANNER AND METHOD OF SALE" so that it shall read "K. MANNER AND METHOD OF SALE".

82. *Page 15, Section 36, Line 12:* After the word "sold" and before the word "shall" insert the phrase "and the conditions of sale".

83. *Page 15, Section 36, Line 17:* After the word "thereof" delete the ";" and before the word "or" insert the phrase ", but in no event at less than the estimated fair value;".

84. *Page 15, Section 36, Line 19:* After the word "sale." insert the following sentence:

As used herein, "estimated fair value" means the market value of the property between a willing seller and a willing buyer less the cost to the municipality to continued storage or maintenance of any personal property not needed for public use to be sold pursuant to this section.

85. *Page 15, Section 36, Line 21:* After the word "interest." insert the following sentences:

In any case in which the contracting unit has rejected all bids, it may re-advertise such personal property for a subsequent public sale. If it elects to reject all bids at a second public sale, pursuant to this section, it may then sell such personal property without further publication or notice thereof at private sale, provided that in no event shall the negotiated price at private sale be less than the highest price of any bid rejected at the preceding 2 public sales and provided further that in no event shall the terms or conditions of sale be changed or amended.

86. *Page 16, Section 37, Line 1:* Amend the heading "K. STATUTES REPEALED" so that it shall read "L. STATUTES REPEALED".

87. *Page 16, Section 38, Line 1:* Amend the heading "L. EFFECTIVE DATE" so that it shall read "M. EFFECTIVE DATE".

88. *Page 16, Section 38, Line 2:* After the numerals "1970" insert the phrase ", but any action, purchase, sale, contract or agreement taken, made or entered into prior to this date pursuant to any of the acts, amendments and supplements hereby repealed are hereby validated and confirmed, provided that in no event shall a lease entered into prior to the effective date of this act be renewed or extended, except in accordance with the terms and provisions of this act.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
August 6, 1969.

SENATE BILL No. 287 (1969)

To the Senate:

Pursuant to Article V. Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 287, with my objections, for reconsideration.

This bill would create an incentive loan authority within the Department of Conservation and Economic Development. The authority, from an appropriation of $2 million, would be allowed to insure or guarantee loans made by banks to "qualified persons" for the purpose of allowing them to establish themselves in a business or profession in loan amounts not exceeding $25,000. In theory, the insurance or guarantee fund would induce banks to make loans in amounts of up to $10 million in the aggregate. In practice, at this point in time, no loans could be reasonably expected.

There is among professional journalists a phrase which is especially pertinent here—when a story which would have been timely and appropriate is dated or made inaccurate by subsequent occurrences, journalists say that the story has been "overtaken by events". Unfortunately, the same has happened to this bill. It was originally introduced as Senate Bill No. 608 in April of 1968. In fact, its antecedents are much older, as the bill is modeled on the provisions of the Veterans Loan Act of 1944 (NJSA 38:23B–1 *et seq.*). One can look back with nostalgia to the days in which a statute could state, as the Veterans Loan Act could, that no loan under the Act would bear an interest rate in excess of 4%.

The very financial crisis which recently required us to raise the maximum interest rate at which governments could borrow, has also made Senate Bill No. 287 unworkable. In particular, it should be noted that under the terms of Section 11 of Senate Bill No. 287, a loan must be secured "only by the personal liability of the maker", and must bear an interest rate "not exceeding the maximum legal rate". At the present time, the maximum legal rate applicable to individuals under Title 31 of the Revised Statutes, regarding usury, is set at 7½% per annum. Since the prime lending

rate—the rate at which banks lend to their best credit risks—is presently at 8½% per annum, it is unreasonable to expect banks to make loans, whether guaranteed or not, to borrowers under Senate Bill No. 287 at a loss to themselves of at least one percentage point and, in most cases, much more.

I do feel, however, that Senate Bill No. 287 could be amended so as to make possible a comprehensive program of economic development for all of the depressed areas of our cities and state, regardless of race. Let me briefly discuss here the changes that should be made:

1. The lending agency should have the freedom to choose the most effective means of making its loans, either directly, or through the banks, depending on economic circumstances.

2. The loans should be such as may qualify for purposes of "matching" federal loan and guarantee programs and not competing with them.

3. The loan should be of sufficient magnitude to insure some lasting effect, not just for the individual receiving the loan, but for the community in which he lives and works.

4. A comprehensive program of technical assistance should be provided—lack of management and business help has been one of the main reasons of the failure of the Small Business Administration to reach into the inner-city areas.

5. Assistance should be provided to have borrowers qualify to bid on public projects.

6. Monies should be available to allow the borrower to purchase patent licenses or franchise rights.

7. The State should be able to subsidize the interest charges which are paid during the first years of a business enterprise—while it is just getting established—and then, when its role of "lender of last resort" is exhausted, be able to guarantee onto a second phase, borrowing from commercial banks. This two-phase approach will allow for a simpler transition from public to private capital.

8. The State should be able to sell participations—shares—in the loans made to these businesses so as to allow private industry to share in providing for funds lent.

9. A stronger conflicts of interest provision should be built into the law to protect the public from any double-dealing.

10. Finally, we cannot simply lend this money out on faith. Every year a lending agency should submit a report to the Governor and to the Legislature on the effectiveness of the loan program in meeting the goals of the law which authorized it.

We are presently in a situation in which the State must become—in effect—a lender of last resort. Interest rates are so high; capital funds so scarce, that there is little hope for continuing some enterprises, much less embarking on new ones. Senate Bill No. 287, if amended to include the changes I have recommended, will provide for a sensible two-phase program in which the borrower can move from dependence on subsidized government loans to dealing directly with the commercial market, as any other borrower. For example, although under present market circumstances, an interest subsidy may be necessary and justified, eventually it can be assumed that borrowing costs will drop. At that time, the borrower can turn to normal channels of financing and rely, perhaps, only on a guarantee. Eventually, of course, he will not even need the guarantee.

If these changes are made, I believe New Jersey will step into the forefront of those states making full-fledged and sincere attempts to restore life to our older cities and opportunity to our underprivileged citizens.

The changes that I suggest are attached hereto.

The changes which should be made are:

1. In the title, insert after the word "professions", the following: "and to promote the development of urban areas through the provision of capital loans to qualified businessmen in depressed areas".

2. *Page 1, Section 1, Lines 1 through 4*: Delete the present language and insert in lieu thereof the following:

"1. The Legislature hereby finds that a serious public emergency exists affecting and threatening the welfare, comfort, health, safety and prosperity of the people of the State and resulting from the fact that there exist in this State certain areas in which employment and other

opportunities are lacking because of the absence of an adequate supply of commercial capital loans to businessmen, and that this inadequate supply of capital loans makes it impossible for citizens of this State to engage in occupations which will increase employment opportunities and service to the public and expand the economy of the State. The Legislature further finds that, unless the supply of commercial capital loans is increased, many citizens of the State will remain unemployed and under-employed and will lack opportunities for advancement; that to increase the supply of capital loans in these areas it is necessary to create a public agency authorized to make or guarantee subordinate equity capital loans and to provide expertise and assistance in the development of managerial skills; that such loans and the provision of such assistance are a public purpose for which public moneys may be expended, advanced, loaned, or granted; and that the enactment of the provisions hereinafter set forth is in the public interest."

3. *Pages 1 & 2, Section 2, Lines 1 through 7*: Delete Section 2 in its entirety and substitute in lieu thereof the following:

"2. The following terms whenever used or referred to in this act shall have the following respective meanings for the purposes of this act, except in those instances where the context clearly indicates otherwise:

(a) "Act" shall mean this act and any amendments and supplements thereto and any rules and regulations promulgated thereunder.

(b) "Authority" shall mean the New Jersey Urban Loan Authority created by this act.

(c) "Business Incentive Loan" shall mean a loan, guaranteed or insured, pursuant to the provisions of Sections 17 or 18 of this act.

(d) "Business Incentive Loan and Guarantee Fund" shall mean the fund for the insurance and guarantee of business incentive loans created pursuant to Section 5 of this act.

(e) "Commissioner" shall mean the Commissioner of the State Department of Community Affairs.

(f) "Department" shall mean the State Department of Community Affairs.

(g) "Qualified loan area" shall mean a region, county, municipality or parts thereof which is determined by the authority, in accordance with rules and regulations adopted by the authority, to be in need of capital loan assistance pursuant to this act.

(h) "Qualified loan client" shall mean any person, group, association, partnership, co-operative, or corporation which is:

(1) unable to obtain the necessary financing on reasonable terms from any other source, and

(2) qualified by training, aptitude or experience, or employing persons who are qualified by training, aptitude, or experience, to establish, operate and maintain the business enterprise for which a loan is sought, and

(3) Either:

(a) a resident of a qualified loan area, or the majority ownership of which is vested in residents of the qualified loan area, or

(b) establishing or expanding a business which will employ a majority of residents of a qualified loan area.

(i) "Security" means an instrument subject to the provisions of article 8 of Title 12A of the New Jersey Statutes.

(j) "Urban Loan Fund" shall mean the Revolving Urban Loan Fund created by this act."

4. *Page 2, Section 3, Lines 1 through 6*: Delete the present language and substitute in lieu thereof the following:

"3. (a) There is hereby established in the Department of Community Affairs a body corporate and politic, with corporate succession, to be known as the New Jersey Urban Loan Authority. The authority shall consist of 3 members, all ex officio, who shall be the Commissioner of the Department of Banking and Insurance, the State Treasurer, and the Commissioner of Community Affairs, who shall be the chairman. The functions, powers and duties of the authority may be exercised only upon a vote of a majority of its members. The authority shall be exempt from the provisions of

Title 17 of the Revised Statutes and any regulations thereunder.

(b) There is hereby created an Urban Loan Advisory Council which shall consist of the Commissioner of Banking and Insurance, the State Treasurer, the Commissioner of the Department of Conservation and Economic Development, the Commissioner of the Department of Labor and Industry, and 3 representatives of the public, who shall be appointed by the Governor with the advice and consent of the Senate, and who shall serve for a term of 2 years, and the Commissioner of the Department of Community Affairs, who shall be chairman. Vacancies shall be filled in the same manner as the original appointments. All members of the council shall serve without compensation, but shall be reimbursed for the actual expenses incurred in attending the meetings of the council and in the performance of their duties under this act. The council shall meet at least once annually and at the call of the chairman at such other times as he shall determine. It shall be the duty of the council to consult with and advise the authority in the performance of its functions under this act."

5. *Page 2, Section 5, Lines 1 through 10*: Delete the present language and substitute in lieu thereof the following:

"5. The authority shall be authorized to perform the following functions and exercise the following powers, in addition to other functions, powers, and duties vested in it by this act or by any other provision of law:

(a) to make loans to qualified loan clients to assist them to establish, operate or maintain a particular business enterprise. In lieu of an evidence of indebtedness, the authority may purchase securities by a qualified loan client;

(b) to sue and be sued;

(c) to sell to any person, corporation or association, securities and evidences of indebtedness of any qualified loan client of the authority, with such indorsements or guarantees as the authority may determine;

(d) to provide technical, managerial and business assistance and expertise to loan applicants and qualified loan clients;

(e) to waive interest payments, forgive indebtedness, negotiate, re-negotiate and otherwise administer loans granted by it, all as provided in Section 27 of this act;

(f) to guarantee and insure loans made by private financial institutions subject to Title 17 of the Revised Statutes to qualified loan clients, as provided in Sections 17 and 18 of this act, upon payment of such fees, if any, or upon such terms as the authority may determine;

(g) to assist any qualified loan client in qualifying for, bidding on, and executing any public work or contract, including, but not limited to, the provision of security, performance bonds, and such other sureties as are necessary for such work or contract;

(h) to apply for and accept grants and loans from the Federal Government or any agency thereof, or from any foundation, corporation, association or individual, and comply with the terms, conditions, and limitations thereof, for any of the purposes of the authority; and to assist any qualified loan client in applying and qualifying for such grants and loans pursuant to this act;

(i) to adopt, amend, modify or rescind rules and regulations for the performance of its functions;

(j) to make and enter into contracts or agreements with qualified financial institutions subject to Title 17 of the Revised Statutes for the servicing and processing of loans made pursuant to this act;

(k) to appoint, retain and employ an executive director and such additional officers as the authority deems advisable, and appoint, retain and employ such attorneys and accounting, financial, marketing, and production experts and such other employees, agents, or experts as may be necessary in its judgment, to fix their compensation, terms of office and dates, and to promote and discharge such officers, employees, and agents or experts, all without regard to the provisions of Title 11, Civil Service, of the Revised Statutes;

(l) to invest any moneys held and not required for immediate use or disbursement, at the discretion of the authority, in such obligations as are authorized by law for the investment of trust funds in the custody of the State Treasurer;

(m) to call to its assistance and avail itself of the services of such employees of any State department or agency as it may require and as may be available;

(n) to establish an office or offices at such location or locations throughout the State as the authority shall determine;

(o) to enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient, or desirable for the purposes of the authority or to carry out any of its powers;

(p) to assist any qualified loan client by any means authorized pursuant to this act in qualifying for or securing the status of licensee or assignee pursuant to any trademark, copyright or patent issued pursuant to Federal and State law;

(q) to allocate such funds as are appropriated to the authority between the business incentive loan and guarantee fund and the urban loan fund created pursuant to this act and among such other funds as it may deem necessary and proper to the exercise of its powers under this act;

(r) To sell shares of, or participations in, loans made, insured or guaranteed, pursuant to this act; said shares shall be legal investments for any financial institution subject to Title 17 of the Revised Statutes; and

(s) To subsidize the interest payments and carrying charges on any loan guaranteed or insured pursuant to Section 17 and 18 of this act, so that the cost of borrowing to the qualified loan client shall be within the limits established in Section 8 of this act.''

6. *Page 2, Section 6, Lines 1 through 9*: Delete the present language and substitute in lieu thereof the following:

''6. (a) All capital and revenue of the authority shall be allocated to an incentive loan guarantee and insurance fund, hereinafter referred to as the ''incentive loan fund'', an urban loan fund, and such other accounts as may be necessary to meet the obligations of the authority under this act. Such amounts as the authority shall estimate are not needed for its current operations shall be invested and re-invested by the State Treasurer in the manner provided by law and the revenues there-

from shall, in turn, be allocated to the fund to which the appropriations were allocated pursuant to this act;

(b) There is hereby established a business incentive loan guarantee and insurance fund and an urban loan fund which shall consist of:

(1) All monies appropriated and made available by the Legislature of this State and allocated for inclusion therein by the authority;

(2) All proceeds of the sale of securities and evidences of indebtedness which are owned by the authority as a result of loans or purchases made from the fund;

(3) Notwithstanding the provisions of any other act or part thereof, any and all monies which the authority shall receive in repayment of principal and interest on loans or sale of securities; and

(4) Any other monies available to the authority from any source or sources.

The authority is hereby authorized to use the monies held in either fund, or any portion thereof, to carry out the purposes of this act.

(c) The authority may not, in any manner, directly or indirectly, pledge the credit of the State and such guarantees or insurance as are provided pursuant to this act shall in no event exceed the amount of the appropriations therefor."

7. *Page 2, Section 7, Lines 1 through 3*: Delete the present language and substitute in lieu thereof the following:

"7. The determination of whether a particular region, county, municipality or area within a municipality shall be a qualified loan area, as defined herein, shall be made with reference to the following:

(a) The amount and average duration of unemployment in the area.

(b) Income levels in the area.

(c) Existing employment and advancement opportunities open to residents of the area, including the presence or absence of viable business ventures willing to locate in the area without financial assistance.

(d) The existence of discriminatory practices which may hinder or have the effect of hindering residents of the area in obtaining employment or finding advancement opportunities.

(e) The availability of capital loans from other sources, including private financial institutions, to residents of the area or to persons, corporations, groups or associations establishing or expanding business enterprises in the area.

Said determination shall be made after consideration of such statistical and factual compilations as may be available. In making such determination, the authority may also take into account other factors and considerations which it finds relevant to the declared public purpose of this act, pursuant to its rules and regulations."

8. *Pages 2 and 3, Section 8, Lines 1 through 18*: Delete the present language and substitute in lieu thereof the following:

"8. Loans made, guaranteed, or insured by the authority shall be subject to the following terms and conditions:

(a) The loan period shall not exceed 10 years.

(b) The interest rate on the loan shall be established by the authority, but in no event at less than 1%, nor more than the then current prime lending rate in the qualified loan area. Interest payments shall be made according to a schedule to be determined by the authority.

(c) The loan may be evidenced by bonds, notes, or other evidence of indebtedness which may be subordinate to such other claims against the qualified loan clients as the authority shall determine, and which shall be in a form approved by the authority, containing such other terms and conditions as are required by the authority.

(d) The business venture for which the loan is made must be reasonably calculated to provide more than temporary alleviation of the depressed conditions in the qualified loan area.

(e) The qualified loan client must present evidence satisfactory to the authority that the funds loaned to

it by the authority or funds whose repayment is guaranteed or insured by the authority have in fact been used only for the purposes contemplated by the authority in granting, guaranteeing, or insuring the loan. Failure to do so shall render the loan immediately due and payable.

(f) The authority must certify that the training, aptitude, or experience of the qualified loan clients leads the authority to believe that there are reasonable prospects for ultimate repayment of the loan to be granted, guaranteed, or insured.

No loan under this act shall be made if the total amount outstanding and committed (by participation or otherwise) to the qualified loan client from the revolving fund established herein would exceed $250,000.00.

No security may be purchased by the authority in lieu of an evidence of indebtedness which authorizes or empowers the authority to vote in, administer, or otherwise participate in the management and control of the qualified loan client by proxy or otherwise. In no event may the sum of the total amount of such purchases made in lieu of an evidence of indebtedness pursuant to this section and the total amount of any loans outstanding exceed $250,000.00 for any qualified loan client.''

9. *Page 3, Section 9, Line 1*: Insert the letter ''(a)'' before the word ''upon'' and delete the word ''commissioner'' substituting in lieu thereof the word ''authority''.

10. *Page 3, Section 9, Line 3*: Change the ''.'' to a '';'' and add the following:

''(b) Any financial corporation, under the supervision of the Department of Banking and Insurance, and any national bank or savings and loan association organized under the laws of the United States and doing business in this State, which are hereinafter referred to as ''any bank'', may, any other provision of law to the contrary notwithstanding, make incentive loans under this act, pursuant to such rules and regulations, not inconsistent herewith, and using such forms, as the authority may prescribe; and

(c) Any application for a business incentive loan made under this act shall be submitted to the authority for its approval. The authority shall approve the application only if the loan is found to be consistent with the purposes of this act and the limitations imposed hereunder."

11. *Page 3, Section 11(c), Lines 6 through 20*: Delete the phrase "as follows:" and all matter following in Section 11(c), inserting in lieu thereof the phrase "in the manner prescribed by the authority, but not later than ten years from the date of the loan;"

12. *Pages 3 and 4, Section 11(d), Lines 21 through 38*: Delete the present language, inserting in lieu thereof the following:

"Be secured in the manner prescribed by the authority."

13. *Page 4, Section 12, Lines 1 through 11*: Delete the present language, inserting in lieu thereof the following:

"12. The entire cost to the borrower of any loan, regardless of amount, shall not exceed the schedule of costs and fees which shall be promulgated by the authority pursuant to this act, a portion of such costs and fees shall be paid to the authority, but such portion shall not exceed 20% of the total costs and fees payable to any bank by a qualified loan client."

14. *Page 6, Section 22, Lines 1 and 2*: Delete the word "commissioner" and substitute in lieu thereof the word "authority" on line 1 and insert the phrase "insured or guaranteed pursuant to this act" after the word "authority" on line 2, and before the word "as".

15. *Page 6, Section 22, Line 5*: Delete the number "6", substituting in lieu thereof the number "10".

16. *Page 6, Section 23, Lines 1 through 6*: Delete the present language and substitute in lieu thereof the following:

"23. No person shall be discriminated against because of race, religious principles, color, national origin or ancestry, by the authority, any bank, or any qualified loan client in connection with any financial or technical assistance provided under this act."

17. *Page 6, Section 24, Lines 1 through 8*: Delete the present language and substitute in lieu thereof the following:

"24. The authority shall make a report on December 31 of each year of operations under this act to the Governor, the President of the Senate and the Speaker of the General Assembly. Such report shall include the names of the qualified loan clients receiving financial assistance from the authority, together with the amounts involved, and such other matters as the authority may deem appropriate. The report shall also include, but not be limited to, an evaluation of the effectiveness of its activities in: (a) increasing the level of employment in qualified loan areas; (b) increasing the investment of private financial institutions in qualified loan areas, and (c) reducing the incidence of discriminatory practices which may hinder, or have the effect of hindering, residents of qualified loan areas from obtaining employment or equal opportunity for advancement. Further, the report shall contain an analysis of, and recommendations regarding, existing laws or regulations which may hinder the growth of competitive business enterprise in qualified loan areas."

18. *Pages 6 and 7, Section 25, Lines 1 through 14*: Delete the present language and substitute in lieu thereof the following:

"25. (a) The powers enumerated in this act shall be interpreted broadly to effectuate the purposes thereof, and shall not be construed as a limitation of powers.

(b) If any clause, sentence, subdivision, paragraph, section or part of this act be adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part thereof directly involved in the controversy in which said judgment shall have been rendered."

19. *Page 7, Section 26, Lines 1 through 9*: Delete the present language and substitute in lieu thereof the following:

"26. (a) No officers, employees, or agents of the authority, for purposes of personal gain, shall have or attempt to have, directly or indirectly, any interest in

any contract or agreement of the authority, in the sale or purchase of any property by the authority, or in any loan or application therefor.

(b) Any officer, employee or agent of the authority who shall be found guilty of violating the provisions of this section shall be a disorderly person and subject to a fine of not less than $100.00 or more than $2,500.00. Any such person shall be barred from public employment in this State in any capacity whatsoever for a period of 5 years from the date he was adjudged a disorderly person.

(c) No loan or purchase shall be made under this act to or from any qualified loan client, unless the qualified loan client certifies to the authority the names of any attorneys, agents or other persons engaged by, or on behalf of, such qualified loan client for the purpose of expediting applications made to the authority for assistance of any sort, the fees paid or to be paid to such persons, and that no such person is an employee or officer of the State of New Jersey or a member of the Senate or General Assembly; and further executes an agreement binding any such qualified loan client for a period of 2 years after any assistance is rendered by the authority to such qualified loan client, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof, was rendered, or within 1 year prior thereto, shall have served as an officer or employee of the State of New Jersey or a member of the Senate or General Assembly."

20. *Page 7, Section 27, Line 2*: Insert after the word "loans" and before the word "insured" the word "made".

21. *Page 7, Section 27(c), Lines 17 and 18*: In lieu of the word "commissioner" insert "authority"; and in lieu of the phrase "his duly authorized deputy" substitute "the executive director".

22. *Page 8, Section 29, Line 1*: Delete the phrase "July 1, 1969" and insert in lieu thereof the word "immediately".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 288

To the Senate:

Pursuant to Article V, Section I, paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 288, with my objections, for reconsideration.

Senate Bill No. 288 would amend Chapter 67 of the Laws of 1946 for the purpose of clarifying the right of policemen or firemen to have all necessary legal aid provided them when they are defendants in any lawsuit or other legal proceeding arising out of the discharge of their duties. Clarification of this right is both well-intentioned and desirable, for the text of the present law has given rise to numerous questions of interpretation and construction. Our policemen and firemen—most of whom are already underpaid—should not be expected to bear the expense of providing their own defense in proceedings that grow out of the proper discharge of their duties. Accordingly, I welcome this occasion to resolve any doubts concerning the statutory right of policemen and firemen to have legal representation provided for them by their respective municipalities.

It is my opinion however, that the present text of Senate Bill No. 288 might compound existing questions concerning the meaning of Chapter 67 of the Laws of 1946. My opinion is shared fully by the sponsor of this measure, who suggests that I return S-288 (1969) with suggested amendments.

Accordingly, I herewith return Senate Bill No. 288 for reconsideration and with the recommendation that the bill be amended as follows:

On page 1, section 1, line 8, insert "." after "proceeding."

On page 1, section 1, after line 8, delete lines 9-16 in their entirety.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 302

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 302, with my objections, for reconsideration.

This bill is intended to provide for the future employment of municipal welfare department employees who may be demoted, laid off, discharged, or separated from the municipal service solely by reason of a reduction in the municipal welfare workload which results from the operation of Chapters 138 and 139 of the Laws of 1968. Chapters 138 and 139 of the Laws of 1968 provided for the assumption of 75% of the costs of aid to dependent children and public assistance by the State.

While I wholeheartedly endorse the concept of the bill, I must withhold my approval because of some glaring technical defects. In addition, a major substantive change in existing law contemplated by Senate Bill No. 302 may seriously jeopardize our welfare programs which depend upon Federal monies for their existence.

Section 1 of this bill appears to mandate the placing of any employee discharged from the municipal service because of the operation of Chapters 138 and 139 of the Laws of 1968 upon special lists of the appropriate county welfare board without competitive examination. The applicant need only meet "the minimum requirements of experience and working conditions otherwise established." Employees of county welfare boards participating in Federal assistance programs may have to, in addition to these requirements, meet certain educational standards set forth in regulations of the United States Department of Health, Education, and Welfare. Provision for the incorporation of these educational standards is not contained in this bill.

Accordingly, I am returning this bill without my approval, with the following recommendations:

1. *Page 1, Section 1:* Delete the present language and insert in lieu thereof the following:

"1. Any employee of any municipal welfare department who, on the effective date of this act, holds or has held permanent status in the classified service pursuant to Title 11 of the Revised Statutes and who has been demoted, suspended, laid off, discharged, or otherwise separated from the municipal service solely by reason of any reduction of workload for such municipal welfare department that may result from the operation of Chapters 138 and 139 of the Laws of 1968, may apply to the Department of Civil Service to be placed on an employment list or lists, the establishment of which by such department is hereby authorized and directed. Any such applicant shall be placed, without competitive examination on a list or lists, for each class title within the authorized table of organization of the county welfare board in the county within which such municipality is located and for which the applicant meets the minimum requirements of education and/or experience established by the Department of Civil Service. Such lists shall have priority over open competitive or promotional lists and shall be used to make certifications to fill current or future vacancies in the county welfare board.

2. *Page 1, Section 2:* Delete the present language in its entirety.

3. *Pages 1 and 2, Section 3:* Delete the present language in its entirety.

4. *Page 2, Section 4:* Delete the present language in its entirety.

5. *Page 2, Section 5, Line 1:* Delete "5" and insert "2".

6. *Page 2, Section 6, Line 1:* Delete "6" and insert "3".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 304 (ACS)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 304 (ACS), with my objections, for reconsideration.

Senate Bill No. 304 (ACS) substantially revises the Realty Transfer Fee Law of 1968 (P. L. 1968, c. 49; C. 46:15–5) by adding several clarifying amendments. One valuable change, in particular, is made with respect to gifts to certain members of the transferor's family where in spite of the existence of a mortgage on the property transferred, the unpaid amount would not be included in the term "consideration" as defined in the law. This is no doubt in conformity with the intent of the sponsors of the original legislation.

The bill does contain one amendment which is cause for serious concern. This is the provision set forth in Section 5 of the bill which would amend Section 7 of P. L. 1968, c. 49; (C. 46:15–11). This Section as originally enacted empowered the Division of Taxation to prescribe necessary rules and regulations to carry out the purposes of the law. The amendment is designed to provide that the rules and regulations shall include a method by which disclosure of the consideration in a real estate transaction may be made in a separate affidavit and filed with the Division of Taxation. The amendment further provides that such consideration shall be kept confidential except with respect to its use in the preparation of the Table of Equalized Valuations and for other statistical purposes, and without disclosure in any event on the records of deeds. The amendment also provides that regulations should be adopted to assure the county recording officer that the consideration has been disclosed and the proper fee paid to the Division of Taxation.

The enactment of the Realty Transfer Fee constituted a vast improvement over the Documentary Stamp Tax Law as administered by the Federal Government prior to 1968. The requirement in our law that the consideration be stated

in the deed or in an accompanying affidavit is of considerable value to the state and to the counties in their equalization procedures for the purposes of distributing state school aid, and apportioning county costs of government, respectively. Further, the disclosure of consideration enables property owners to determine whether they are being discriminated against in the assessment of their properties as against comparable properties. Senate Bill No. 304 which would require the consideration to be confidential would thwart the beneficial provisions of the realty transfer fee law as originally enacted. It would seriously interfere with the sales ratio studies now used to ascertain average assessment ratios for each municipality in the state. A taxing district would have no way of learning whether the sale of property, the consideration of which is regarded as confidential, would aid or injure it financially. Also, it should be pointed out that no limitation is placed upon the period of time during which the transaction is to remain confidential.

In short, the amendment also constitutes a substantial departure from the policy contained in the original enactment of the law, namely, full disclosure of consideration. While there are some valid arguments for confidentiality, generally connected to the need to assemble large parcels of land, I believe they are outweighed by the arguments for disclosure.

Moreover, it should be noted that any purchaser of real estate who desires to assemble various properties for a specific purpose and who is fearful that disclosure of the consideration would inflate the price to be paid for other properties to be included in such assemblage may, nevertheless, acquire such additional parcels by taking an option with respect to their purchase. An option requires no disclosure under this act. This procedure is in common use today.

In view of the fact that the amendment to this section would cause serious dislocations and impede and interfere with established procedures which directly or indirectly affect the distribution of over $200 million on state school aid and in excess of $330 million in county tax apportionments, I am recommending that this section be deleted.

I believe that all the changes which I have recommended represent a constructive effort to retain the salutary provisions of the bill and, at the same time, assure that the

administration of the law and the derivation of sales assessments ratios will not be impaired.

I therefore am returning this bill and respectfully recommend the following changes:

1. *Page 1, Section 1, Lines 11 and 12:* Omit in their entirety.

2. *Page 1, Section 1, Line 13:* Omit "without an annual or other periodic rental,".

3. *Page 1, Section 1, Line 14:* After "act." omit remainder of line.

4. *Page 1, Section 1, Lines 15 and 16:* Omit in their entirety.

5. *Page 1, Section 1, Line 17:* Omit "for the purposes of this act.".

6. *Page 1, Section 1, Line 19:* Omit "boundaries," insert "or".

7. *Page 1, Section 1, Line 20:* After "for" insert "utility service lines such as".

8. *Page 1, Section 1, Line 21:* After "other" insert "such".

9. *Page 2, Section 1, Lines 36 to 40:* Omit in their entirety and insert a new sentence and paragraph as follows:

> "The amount of liens for real property taxes, water or sewerage charges for the current or any subsequent year, or by way of added assessment or other adjustment, as well as of other like liens or encumbrances of a current and continuing nature ordinarily adjusted between the parties according to the period of ownership shall be excluded as an element in determining the consideration, notwithstanding that such amount is to be paid by the grantee.
>
> "In any case where there is no specific dollar consideration agreed upon, or where the consideration as agreed upon cannot feasibly be expressed as a single sum at the time of recording, there shall be a prima facie presumption that the consideration is in the amount of the assessed value of the property for the purpose of levying local real property taxes adjusted to reflect the effect of local assessment levels as deter-

mined by the Director of the Division of Taxation according to the tables thereof available at the time of recording.''.

10. *Page 2, Section 2, Line 7:* Omit ''is submitted''.

11. *Page 2, Section 2, Line 8:* Omit ''therewith''.

12. *Page 2, Section 2, Lines 9 and 10:* After ''therefor'' insert ''is annexed thereto for recording with the deed''.

13. *Page 2, Section 2, Line 10:* Omit ''or (c) proof of the disclosure of the consideration therefor to the Division of Taxation as may be authorized pursuant to the provisions of section 7 of this act (C. 46:15–11) is submitted to the county recording officer.''.

14. *Page 3, Section 4, Line 18:* Omit ''providing'' insert ''proving''.

15. *Page 3, Section 4, Line 20:* Omit in its entirety.

16. *Page 3, Section 4, Line 22:* Omit '', including but not limited to a deed''.

17. *Page 3, Section 4, Line 29:* After ''principal'' insert '';'' and omit remainder of line.

18. *Page 3, Section 4, Line 30:* Omit in its entirety.

19. *Page 4, Section 5, Lines 1 to 20:* Omit in their entirety.

20. *Page 4, Section 6, Line 1:* Change ''6'' to ''5''; after ''effect'' insert ''60 days after approval thereof''.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 482

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 482, for reconsideration.

Senate Bill No. 482 would permit a National Guard technician who elects to terminate his participation in the Public Employees' Retirement System to receive all of the accumulated deductions standing to his credit in the annuity savings fund, plus regular interest at not less than 3%, less any outstanding loan.

This bill is intended to implement the provisions of Chapter 354 of the Laws of 1968 which permits a National Guard technician to leave the Public Employees' Retirement System in order to join the Social Security System. There are approximately 1,400 National Guard technicians who were originally not covered by the Federal Social Security System. New Jersey provided that they could join the Public Employees' Retirement System, which they did. In 1968 Social Security coverage was extended to them, and the Legislature enacted Chapter 354 of the Laws of 1968 allowing them to withdraw from PERS, if they so desired. About two-thirds of these National Guard technicians have already made such an election.

In my view, there is no reason to distinguish between resignation from the Public Employees' Retirement System or withdrawal from the System in order to join another retirement plan. In fact, when there is a transfer of credits between State pension systems, our statute speaks about "withdrawal" and provides for payment to the withdrawing employee of all deductions, plus interest. Consequently, it is my belief that these National Guard technicians should be subject to the same statutory provisions governing the payment of interest that are applicable to any other withdrawing employees. N. J. S. A. 43:15A–41(a) provides that upon withdrawal, employees shall be paid regular interest of 2%.

Accordingly, I herewith return Senate Bill No. 482, without my approval and with the following recommendation:

Section 1, Line 8: Delete "3%" and insert in lieu thereof "2%".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 521

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 521, for reconsideration.

This bill amends the Savings and Loan Act of 1963 deleting the present pension section regarding periods of service, Section 17:12B–52 of the Revised Statutes. This amendment would allow the pension plans themselves to set forth the appropriate required periods of service rather than the statute. This amendment would provide greater flexibility in the adoption and administration of pension plans, which some experience in the industry has shown is apparently needed.

Nevertheless, I am constrained to withhold my approval in the belief that the savings and loan association depositors, as well as the general public would be better served by the adoption of the recommendations which follow.

Accordingly, I herewith return Senate Bill No. 521, without my approval, and with the following recommendations:

1. *Section 2, Line 1:* Delete the present language in its entirety and in lieu thereof substitute the following:

> 2. Section 57 of the act of which this act is amendatory (C. 17:12B–57) is amended to read as follows:
>
> 57. Every pension plan adopted or altered for a State association shall before it is placed in operation, be submitted to the Commissioner for his approval. The Commissioner shall *not* approve such plan or alterations thereof unless he [shall find;] *makes the following affirmative, written, findings:*
>
> (a) It does [not] conform to law, [or]
>
> (b) Its adoption or alteration [would be hazardous to the State association, or] *is in the best interests of the members of the State association*

(c) Its provisions are [unfair or inequitable.] *fair and equitable, and*

(d) Its provisions bear a reasonable relationship to, and are consistent with, the financial capacity of the association as measured by its assets and liabilities.

2. "3. This act shall take effect immediately."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 522

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 522, for reconsideration.

Senate Bill No. 522 contains two amendments to the Savings and Loan Act of 1963. The section which provides specifically for a "chairman of the board" for a savings and loan association is unobjectionable. The second section of this bill, however, which provides for the indemnification of officers, directors and employees of savings and loan associations would be more suited to the public interest if it were modeled more closely upon the Banking Act of 1948 provisions with regard to actions against bank directors, managers, officers or employees.

Accordingly, I am herewith returning Senate Bill No. 522, without my approval, and with the following recommendation:

Pages 2 and 3, Section 2, Lines 24 through 56: Delete the present language and in lieu thereof substitute the following:

B. Indemnification of officers, directors and employees. Any person made a party to any civil action or proceeding by reason of the fact that he is or was

a director, officer or employee of a savings and loan association, shall be indemnified by the savings and loan association against reasonable costs, expenses and counsel fees paid or incurred in connection with such civil action or proceeding, or in connection with any appeal therein and against all sums paid, other than to the savings and loan association, in settlement, or compromise of such civil action or proceeding, provided that

(1) the action or proceeding, insofar as it affects such person, is abandoned, settled or compromised or is prosecuted to a final determination wherein it shall not be finally adjudged that such person was derelict in the performance of his duties, and

(2) a majority of all the members of the board of directors shall (a) determine that such person was not derelict in any substantial way as charged in the civil action or proceeding, and (b) fix the amount, if any, for which such person shall be indemnified.

No director of a savings and loan association shall vote for indemnification of any person, as provided in this section, if such director shall have been a party to the civil action or proceeding. If a majority of the board of directors shall be so disqualified, a majority in number of the members of the savings and loan association present in person or by proxy at a meeting called upon ten days' notice addressed to each member at his address as it appears upon the records of the savings and loan association, shall determine whether such person has been so derelict, and shall fix the amount of the indemnity, if any, to be paid to such person. Notwithstanding that a majority of such board of directors shall not be so disqualified, such board may delegate to the members of the savings and loan association, at a meeting of such members called as herein before in this subsection provided, the power (1) to determine whether such person or such decendent was so derelict and (2) to fix the amount of indemnity, if any, to be paid to such person.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 533

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 533, for reconsideration.

Senate Bill No. 533 amends the absentee voting law in order to require any public question to be voted on in the municipality be included on the absentee ballot to be received by the voter. It also deletes a requirement that a list of any candidates whose names are known on the 34th day before the election, but for some reason not printed on the ballot be forwarded along with the absentee ballot to the voter. Both of these changes are amendments to N. J. S. A. 19:57–14.

Certainly, an absentee voter should be entitled to vote on a municipal question along with every other voter in his community. The deletion of the list of candidates raises some questions, however. Title 19 provides that on the 34th day prior to an election, all challenges to the nomination of a candidate must be resolved (N. J. S. A. 19:13–11 and 13). Therefore, the final list of candidates is available at that time. Senate Bill No. 533 amends a portion of the law which, however, implies that the names of candidates which are already ascertained can be left off the printed ballot. In the past, in fact, some names have been omitted and accompanied by the list required by N. J. S. A. 19:57–14. The result is often considerable confusion, since the voter receives two documents, one of which is not clearly related to the other. In fact, in one case, use of a list such as is required by N. J. S. A. 19:57–14 cause a number of votes to be ruled invalid and the outcome of an election to be determined by litigation, *In re application of Sweetwood*, 91 N. J. Super. 496 (1966).

Removal of the provision allowing for the use of such a list of candidates should make it clear that the names of all candidates should be printed on the absentee ballot. There is no reason why this cannot be done. Ordinary bal-

lots are printed three days before a primary (N. J. S. A. 19:23–27) and sent to the printer at least 17 days before a general election (N. J. S. A. 19:14–1). It would therefore appear that there is no reason why on the 34th day prior to an election the names of all of the candidates should not be included on an absentee ballot.

There is an additional technical problem, namely, that the changes made in the same section by P. L. 1969, c. 35, have not been incorporated in the bill.

I am therefore returning Senate Bill No. 533 for reconsideration and respectfully recommend the following changes:

1. *Page 1, Section 1, Line 4:* After the word "effect" and before the word "shall" insert the following phrase "shall be printed entirely in black ink and".

2. *Page 1, Section 1, Lines 8A and 9:* After the word "the" and before the word "in" delete the phrase "county or of the municipality" and insert in lieu thereof the phrase "political subdivision".

3. *Page 1, Section 1, Line 19:* After "ballot.]" insert the following sentence "Every such candidate and public question to be voted upon shall be included in and printed upon the absentee ballot.".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 534

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Senate Bill No. 534, with my objections, for reconsideration.

The Commissioner of Transportation has had, since 1942, the authority to replace or reconstruct a well on private property destroyed by highway construction (P. L. 1942,

c. 22). In 1966, he was given the option to connect the property to the line of any nearby water company, instead of reconstructing the well. Senate Bill No. 305 of this year, approved as P. L. 1969, c. 39, was intended to deal with cases in which the well was contaminated, although not destroyed, and no longer produced potable water. Senate Bill No. 305 also inadvertently introduced a problem of interpretation, since it allowed the Commissioner of Transportation to pay for a well destroyed or contaminated by "construction or maintenance *heretofore* undertaken" (emphasis added). This could be read to limit compensation under the act to cases arising before its date of approval, March 12, 1969. Moreover, although the doctrine of implied repeal is not favored by the courts, the language of Senate Bill No. 305 casts a cloud on the ability of the Commissioner to exercise the powers conferred upon him in 1942 to compensate for a destroyed well.

The bill presently before me, Senate Bill No. 534, would make some additional changes. First, it would allow compensation for the destruction or contamination of the water supply of a school district, as well as that of private parties. Second, it would require that the construction or maintenance activities of the Department of Transportation only be a primary cause, not the sole cause of the damage. Third, the options of the Commissioner would be expanded to allow him to provide a "substitute water supply", not necessarily limiting him to digging a new well or connecting a line to an existing water company outlet. Finally, in the case of emergencies where health was threatened, in his discretion, he could provide the alternate water supply without regard to public bidding.

All of these changes are desirable. The Commissioner of Transportation should certainly have the power to compensate persons for harm done. Moreover, since such payments are entirely within his discretion, the public is protected from unreasonable and unlimited claims or expenditures.

However, it would appear both desirable and prudent to correct the defects of P. L. 1969, c. 39. As Senate Bill No. 534 would confer on the Commissioner of Transportation all of the powers of P. L. 1969, c. 39, the latter should be repealed.

Furthermore, it is not apparent to me why compensation should be limited to school districts. It would appear that

if the water supply of any public body is contaminated or destroyed, an equitable distribution of the cost of public activity between the State and any other public body would require that compensation be paid by the State when the State is at the cause of the damage.

With these factors in mind, I respectfully recommend the following changes in Senate Bill No. 534:

1. Amend the title so that it shall read "An act concerning the State Department of Transportation's responsibility with respect to the destruction or contamination of wells used for a potable water supply and to amend 'An act concerning the State Highway Department,' approved March 16, 1942 (P. L. 1942, c. 22), and to repeal 'An act concerning the State Department of Transportation's responsibility with respect to the destruction of wells used for a potable water supply,' approved March 12, 1969 (P. L. 1969, c. 39).".

2. *Page 1, Section 1, Line 4:* Omit "taken" and substitute in lieu thereof the word "undertaken".

3. *Page 1, Section 1, Lines 8 and 9:* Omit "or property owned by any school district", and substitute in lieu thereof "or public".

4. *Page 2, Section 1, Line 28:* Insert after the word "constructed" and before the word "and", the phrase "or otherwise secured".

5. *Page 2, Section 1, Line 30:* Add "or otherwise securing a substitute potable water supply".

6. *Page 2—Add a new Section 3 as follows:*

   "3. Chapter 39 of the Laws of 1969 is hereby repealed, except that any actions taken or payments made pursuant to said act prior to the effective date of this act are herewith validated, approved and confirmed."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 658

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 658 without my approval, for reconsideration.

S-658 would amend P. L. 1962, c. 111, which establishes the position of Motor Vehicles Inspectors by extending maximum age limits for such inspectors from 30 to 35 years of age.

Although I support the intent of this bill, several amendments to its provisions are indicated. S-658 now provides that individuals must be not less than 21 nor more than 35 at the time of appointment. In determining the age of municipal police and firemen applying for positions, the Civil Service Commission accepts those individuals who were within the age limit on the announced closing date for accepting applications for the examination even though these applicants were beyond the maximum age at the time of actual appointment. To approve S-658 as passed, therefore, would result in administrative inconsistencies and penalize those candidates who demonstrated their competence and good faith through competitive examinations only to be rejected at the time of appointment for being too old.

S-658, as originally introduced, contained a provision which would have permitted applicants who had been veterans as defined in R. S. 11:27–1 to deduct from their actual age those years spent serving in the armed services. By amendment this provision was deleted, leaving individuals applying for examination dependent upon N. J. S. A. 38:23A–2 which permits the deduction of service years for only those veterans who served "in time of war", a qualification susceptable of varied interpretations. In order to avoid the confusion and challenges which may arise from reliance on N. J. S. A. 38:23–2, the Civil Service definition of veteran should be retained.

I am therefore returning S-658 to the Senate for reconsideration and recommend the following amendments:

1. *Page 1, Section 1, Line 5:* After the word "who" and before the word "his" insert the phrase "at the announced closing date for accepting applications for the Civil Service examination".

2. *Page 1, Section 1, Line 6:* After the word "age" insert the phrase "except that in the case of a veteran, as defined in Revised Statutes 11:27–1, the length of time served in the armed services shall be deducted from his actual age but in event shall his age at the time of appointment exceed 35 years".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 659

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 659, with my objections, for reconsideration.

Senate Bill No. 659 would permit any person not less than 21 nor more than 45 years of age, who is otherwise qualified, to be appointed as a Sheriff's Officer or County Correction Officer.

Although introduced to circumvent the age eligibility qualifications established by the Civil Service Commission by regulations for these offices (21 to 40 years), this measure would in fact create a statutory maximum age limitation which, at present, does not exist in practice. Recognizing the importance of recruiting adequate qualified personnel for the positions of County Correction Officers

and Sheriffs' Officers, Civil Service policies now permit the age requirement of 21 to 40 to be broadened where its imposition is a deterrent to recruitment. Consequently, the majority of New Jersey counties are now permitted to open their examinations for County Correction Officers and Sheriffs' Officers to individuals not only beyond the age of 40 but beyond the age of 45. To enact Senate Bill No. 659 would therefore reduce rather than expand the class of eligibles for these necessary offices, contrary to the intended purpose of this bill.

I therefore, return S-659 for reconsideration and respectfully recommend that it be amended to read as follows:

1. *Page 1, Section 2, Lines 4, 5 and 6:* Delete lines 4, 5 and 6 in their entirety and insert in lieu thereof:

> such age limits may be waived upon a written determination by the Commission that they are a deterrent to recruitment within any county subject to the provisions of Title 11 of the Revised Statutes. Such a determination must be based on a showing within the individual county that adequate qualified personnel can only be secured by so waiving the age qualification.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 667

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 667, with my objections, for reconsideration.

Senate Bill No. 667 would allow a redevelopment agency in urban renewal to include as part of its costs the cost of

the relocation of the facilities of a public utility displaced as a result of a redevelopment plan. Presently, the cost of relocating such a public utility facility must be paid by the developer. This bill would allow the redevelopment agency, at its option, to absorb such a cost as an additional incentive to attract developers.

Although I find the intent of the bill acceptable, there are some technical errors which should be corrected in order to avoid any misunderstanding. I therefore recommend the following changes:

1. *Page 2, Section 1, Line 36:* Insert after "of" and before "expense" the phrase "public utilities relocation"; and delete after the word "described" the word "therein", inserting in lieu thereof the phrase "in sections 23 (C. 40:55C–23) and 24 (C. 40:55C–24) the responsibility".

2. *Page 2, Section 1, Lines 37 and 38:* After the word "project" on line 37, delete the phrase "or included in the cost of the project" and insert in lieu thereof the phrase "and has not assumed in any agreement with the redeveloper".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 668

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 668, with my objections, for reconsideration.

Senate Bill No. 668 would allow a public housing authority acting as a redevelopment agency in urban renewal to

include as part of its costs the cost of the relocation of the facilities of a public utility displaced as a result of a redevelopment plan. Presently, the cost of relocating such a public utility facility must be paid by the developer. This bill would allow the public housing authority, acting as a redevelopment agency, at its option, to absorb such a cost as an additional incentive to attract developers.

Although I find the intent of the bill acceptable, there are some technical errors which should be corrected in order to avoid any misunderstanding.

I therefore recommend the following changes:

1. *Page 2, Section 1, Line 44:* Insert after the word "of" and before the word "expense" the phrase "public utilities relocation" and after the word "described" delete the word "therein"; and insert in lieu thereof the phrase "in section 9 (C. 55:14A–39) and in (4) of this section (C. 55:14A–41) the responsibility".

2. *Page 2, Section 1, Lines 46 and 47:* Delete after the word "project" on line 46 the phrase "are included in the cost of the redevelopment project", and insert in lieu thereof the phrase "and has not assumed in any agreement with the purchaser or lessee".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL NO. 707

To the Senate:

Pursuant to Article V, Section I, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 707, with my objections, for reconsideration.

This bill would repeal the "New Jersey Conflicts of Interest Law" and would substitute therefor a new set of standards against which the conduct of members of the Legislature and State officers and employees might be measured. The new set of standards has been characterized by the proponents of this bill as a major improvement over those of present law, hence meriting my approval. I find it impossible to concur in that characterization, and, for the reasons cited below, must return S–707 (1969) with recommendations for amendment.

I.

I believe it would be instructive at the outset to recall the history of our present "conflicts of interest" legislation for S–707, no less than any other bill, cannot be considered in a vacuum. In 1964 I felt constrained to veto conditionally Senate Bill No. 40 (1964), which contained many of the features I today find objectionable in S–707 (1969). Although the enactment of S–40 (1964) represented the first response of the Legislature to the conflict of interests problem, I concluded that ". . . not even the most minimal standards which reasonable men might expect of a workable conflicts of interest law . . . ." has been met. That conclusion appeared valid even though I knew ". . . that it would be pointless to insist upon perfection in this highly sensitive area," and that ". . . in some instances, a hesitant first step into unchartered territory may be preferable to nothing at all."

Although the 1964 Legislature refused to concur in the recommendations I had made with regard to S–40 (1964), the 1965 Legislature enacted Senate Bill No. 81 (1965), which incorporated some of the suggestions I had put forth previously. However, S–81 (1965) retained intact the feature I found most objectionable — self-policing by the members of the Legislature of their own conduct. In 1965, as previously in 1964, I restated my willingness to consider any reasonable approach to the problem:

> "As much as I desire the enactment of a viable conflicts of interest law, I cannot and will not be a party to the enactment of a measure which may delay the adoption of a meaningful conflicts law for many years. As I said last year, I am well aware that it would be pointless to insist upon perfection in this highly sensitive area. At the same time, the people of this State

are entitled to at least a minimal showing of good faith, characterized by legislation which does not insult their intelligence."

As was the case in 1964, the 1965 Legislature refused to reenact S–81 (1965) amended in accordance with my recommendations.

It was not until 1967 that the Legislature again enacted a conflicts of interest bill — Senate Bill No. 493 (1967). Inasmuch as S-493 (1967) adopted a wholly new approach to the "conflicts" problem, I approved it as Chapter 229 of the Laws of 1967. At the time I approved S-493 (1967) I noted that its emphasis was disclosure, not prohibition; public opinion and knowledge, not punishment:

> "In point of fact, the measure which I have signed today is totally different in concept and design than either of the other bills which have been before me. It is not a code of ethics measure, rather it is a disclosure act. It does not purport to itemize all of the things which a legislator should not do, instead it tells him to make public everything which he does do when doing business with the State or representing persons before a State agency. Its efficacy, in the final analysis, does not depend upon governmental investigation, but rather upon knowledge in the hands of the people, which knowledge can be translated into ballots. The force of public opinion and the threat of political reprisal would serve as a deterent to those few who might otherwise seek to use their public position for private gain."

Having drawn this distinction between S-493 (1967) and its precursors — and notwithstanding its continued reliance upon self-scrutiny by members of the Legislature — I approved S-493 (1967) as a ". . . significant breakthrough upon which even more effective legislation can be premised."

As I noted in my conditional veto message concerning Senate Bill No. 40 (1964), "For good cause or not, public attention to the subject of conflicts of interest long has been focused primarily upon the activities of the Legislature." It was my hope — shared by many others of course— that the public demand would be met by the enactment of conflicts of interest legislation untainted by the imperfections I note below. It was also equally clear, notwithstanding renewed

public interest, that the enactment of *any* conflicts legislation was not a foregone conclusion.

II.

No one feature of Senate Bill No. 707 (1969) is more objectionable than its provision for legislative consideration and determination of complaints of conflicts of interest on the part of members of the Legislature. As I noted in my conditional veto message concerning S-40 (1964):

> ". . . I cannot agree that the members of the Legislature generally should be shouldered with the distasteful assignment of passing upon charges against their colleagues. No man should be asked to act as his own judge.
>
> "It would be unwise to vest in the Legislature the responsibility for enforcement of its code of conduct for another equally important reason. . . . In order to assure the confidence of our citizens in their government, it is imperative that no suspicion concerning the bona fides of the Legislature be given a basis for existence. In a society which derives its order from the consent of the governed, men in public office not only should do justice but also should satisfy the people that justice has in fact been done . . . . It is not difficult to forecast that the exoneration of an accused legislator by the membership of his House would be attended by suspicion that the charge was neither diligently investigated nor disposed of on its merits."

I do not believe that the passage of a mere five years has weakened the validity of that conclusion, particularly in view of the controversy surrounding the Legislature earlier this year.

It is indeed true that our present conflict of interest law — which I reluctantly approved — does provide for the same self-policing to which I object. Yet, it is also true that my reservations with regard to that feature were stated fully in 1964, 1965 and 1967, and that the disclosure provisions of Chapter 229 were appealing counterweights. Now that the Legislature has set for itself the task of replacing Chapter 229 with a stronger version, however, I see no need to compound — a lesser evil I was willing to accept in 1967.

It is in the transaction of the public business that the potential for conflict of interest occurs, and the disposition

of complaints of conflict of interest is clearly the business of the public. I am therefor persuaded that the general public should be represented on any panel constituted to hear and determine complaints of conflict of interest.

Accordingly, I propose that Senate Bill No. 707 (1969) be amended to provide for the creation of a Commission on Legislative and Executive Ethical Standards. The Commission would be composed of the President of the Senate, the Speaker of the General Assembly, the President of the Civil Service Commission, the Governor, and five citizens appointed by the Governor with the advice and consent of the Senate for terms of five years. No more than three of the five citizens to be appointed by the Governor should be members of the same political party. The Commission would hear and determine complaints against members of the Legislature and State officers and employees, render advisory opinions when advisable, and suggest further changes in the law if necessary. Adoption of this recommendation will prove the intention of the Legislature to vindicate the public trust.

III

Considerable attention has been given to the representation by members of the Legislature and State officers and employees, of parties other than the State before various agencies of State government. Such practice most certainly creates the potential — if not the fact — of conflict of interest. Section 6 of Senate Bill No. 707 (1969) would curtail partially such representation by prohibiting members of the Legislature and State officers and employees from representing parties other than the State before State agencies in matters ". . . whereof the State has a *direct financial interest*, when the final disposition or determination thereof is contested by the State . . . .". While this provision of S-707 (1969) may eliminate some questionable practices, other equally questionable situations continue to be beyond the reach of the law.

For example, numerous agencies of State Government deal in matters of vital public interest without asserting a direct financial interest of the State. These agencies include: the Department of Banking and Insurance; the Department of Public Utilities; the Department of Civil Service; the Divisions of Alcoholic Beverage Control, Weights and Measures, Motor Vehicles, and Professional Boards in the

Department of Law and Public Safety; the Divisions of Local Finance and Housing and Urban Renewal in the Department of Community Affairs; the Divisions of Investment, Taxation, Tax Appeals and Racing of the Department of the Treasury; the Office of Milk Industry in the Department of Agriculture; the State Parole Board in the Department of Institutions and Agencies; the Bureaus of Wages and Hours and Engineering and Safety in the Department of Labor and Industry; and the Division of Water Policy and Supply in the Department of Conservation and Economic Development. Although this listing is by no means exhaustive, it is indicative of the range of interests asserted by the State which are rarely adverse to a financial interest asserted by parties appearing before these agencies. These non-monetary interests — no less than direct financial interests asserted by the State — deserve insulation from both the appearance and fact of conflict of interest.

Moreover, as presently worded, the prohibition of Section 6 of S-707 would not attach until the State agency involved "contested" the final disposition of a matter before a State agency. Consequently, a legislator would be free to represent a private party before, and to bring his influence to bear upon, the agency until such time as the agency hands down a ruling or determination. Needless to say, such opportunity for "influence peddling" may well resolve the matter in favor of the party represented by the legislator, thereby mooting the prohibition of Section 6. I do not believe that the activities permitted by the present text of Section 6 of S-707 fully secure the public interest in both the appearance and the fact of impartial, objective administration.

Accordingly, it is my recommendation that S-707 be amended to prohibit unconditionally the appearance before all State agencies of legislators and State officers and employees on behalf of any party other than the State. I note parenthetically that the recommendation made herein will obviate the need for the exceptions grafted onto Section 6 by the General Assembly. Those exceptions, in my opinion, represent no reasoned resolution of an issue but merely bear witness to the lobbying "muscle" of their respective proponents.

IV

There are numerous ways in which the over-reaching legislator or State officer or employee may attempt to use his public office for private gain. One such way is for the

legislator or State officer, upon leaving his public office, to attempt to trade upon either "insider" knowledge acquired through his former official position, or upon personal relationships with those who remained in official positions. Such ploys are exceedingly difficult to prevent, and have become an item of increasing concern to interested citizens. The only defense offered in support of such strategy is that some persons accept public office or employment solely for the purpose of gaining "expertise" with which they hope to earn a living subsequently in private employment. This argument is obviously self-defeating, for it admits the possibility that the holder of public office or public employment, in order not to offend potential future employers or associates, will not act aggressively to protect the public interest. Yet, on the other hand, it is equally clear that some restraints are highly desirable in order to (1) promote equal treatment of equal claims on the merits; (2) lessen the possibility of decision-making predicated upon "cronyism" rather than the public interest; and (3) eliminate the practice of rewarding biased treatment through promised employment or other gains deferred until the termination of the public office or employment.

Against this analysis, then, I see no reason whatsoever to approve the present text of Section 7 of Senate Bill No. 707 (1969). In the first instance, Section 7 is rendered completely inadequate by its failure to impose any restraints whatsoever on former legislators. For example, the present text of Section 7 would permit a member of the Subcommittee on Claims of the Joint Appropriations Committee of the Legislature, upon termination of his elective office, to appear before the Claims Subcommittee on behalf of a claimant whose demand had previously been rejected. For that matter, S-707 would even permit a member of the Claims Subcommittee, having voted to satisfy the demand of a claimant, to accept employment with the claimant subsequent to the termination of his elective office. The latitude permitted former legislators by Section 7 of S-707 is wholly out of step with the restraints imposed upon former officers and employees in the Executive Branch, and can only serve to justify the widely held suspicion—justifiable or not—that the members of the Legislature merely pay lip-service to the nature of their public trust. I propose that this suspicion be eliminated by amending Section 7 of S-707 to include former members of the Legislature.

Section 7 of Senate Bill No. 707 is deficient for a second reason—it permits former State officers or employees to render services to parties other than the State in matters in which they were *directly involved*—provided that two years have passed since the former officer or employee terminated his service to the State. I find this provision inadequate on two grounds. Frst, there is no justification whatsoever for granting a State officer or employee—merely because he has terminated his office or employment—a legal right to "jump to the other side of the fence" and to represent a private party in any particular matter in which he was directly and intimately concerned while he enjoyed public trust. Such a provision permits the most pernicious form of "insider dealing" and "influence peddling" conceivable. Secondly, and beyond that objection, it is not inconceivable that particular matters may stretch in duration well beyond the two year period of abstinence contemplated by Section 7. In particular, consider, for example, complicated proceedings initiated by the Division of Taxation in the Department of Treasury which, during the course of protracted litigation, are often remanded to the agency for further administrative action. I hold nothing sacred about the mere passage of 2 years, and accordingly urge the adoption of permanent prohibitions against the practice noted here.

A third reason merits objection to the present wording of Section 7 of Senate Bill No. 707. In its present form, Section 7 would permit former State officers or employees to appear without limitation before the agency within which they previously held office or employment, so long as they do not render services to private parties in particular matters with which they were directly concerned while employed. Such a provision may restrict somewhat the extent to which "insider" knowledge of particular matters—gained by virtue of public employment—may be used to further the interests of the former officer or employee and private parties. However, this provision—by permitting the former officer or employee to appear before his old agency—poses little obstacle to subtle trading on personal relationships established while the former officer or employee represented the State. Provisions of federal law answer this shortcoming of Section 7 of S-707 by prohibiting certain former federal employees from appearing before their old agencies—in no matter what capacity—for two years subsequent to the termination of their federal

employment. I propose that such a provision—aimed at curbing "influence peddling"—be incorporated in Section 7 along with any other recommendations concerning that section—aimed at curbing improper use of "insider knowledge".

I am confident the merits of these recommendations will be readily grasped and adopted by the Legislature, in order that public confidence in our government of laws— and not men—may be maintained.

V.

I am concerned that the present wording of Section 2 of S-707 may have the effect—probably unintended—of depriving the State of the counsel of numerous public-spirited citizens who serve without compensation on various boards and commissions. I draw this conclusion because Section 2, when read in conjunction with other provisions of S-707, subjects these citizen-advisors to all the restrictions and limitations of the bill. In fact, some of those restrictions and limitations would be applicable not only to those citizen-participants, but also to all of their partners and associates.

Should S-707 become law in its present form, these citizen-advisors must then decide whether to continue advisory service to the State (with resulting limitations on the professional activities of themselves and their associates), or to terminate their citizen-participation (thereby freeing themselves and their associates from the restrictions of the bill). There is little need for such a forced choice, for the nature of the boards and commissions on which these citizen-advisors sit are such that their members are rarely in a position, merely by virtue of their respective offices, to exercise any influence over any other agency of the State. Indeed, as I noted five years ago in my conditional veto message concerning S-40 (1964):

> ". . . public-spirited citizens who undertake to serve without compensation on governmental boards and commissions should be excluded from the general definitional sections, and should be covered only by those provisions of the bill which are pertinent to their situations. Such persons function in a narrow sphere, usually on a part-time basis, and should not be disqualified from dealing with the State in areas which have no connection with their public activities and do not in fact involve conflicts of interest."

In order that the State may continue to enjoy the counsel of public-spirited citizen-advisors, S-707 should be amended to restrict only the dealings of those persons with the board or commission on which they serve. The amendments set out below will accomplish that suggestion.

VI.

Three other deficiencies of Senate Bill No. 707 (1969) should be called to the attention of the Legislature and promptly cured in order that the bill might achieve its stated purpose.

First, a serious oversight in draftsmanship permits Senate Bill No. 707 (1969) to be permeated by a crippling loophole—the failure of most provisions of the bill to apply to members of the immediate families of the legislators and State officers or employees subject to the provisions of the bill. Consequently, the purpose of the bill can be subverted without difficulty by the spouse or children of a legislator or State officer subject to the bill.

> *Example:* Pursuant to Section 3, no "State officer or employee or member of the Legislature shall accept from any person any gift, favor or service . . . offered to him with intent to influence him . . . ." A mink coat is given to the wife of a legislator; Section 3 has not been violated.
>
> *Example:* Under Section 8, no State officer or employee or member of the Legislature may contract with the State through a corporation he controls or in which he owns more than 10% of the stock. Senator X and Sons, Inc. may well become "Sons Inc." as the ownership interests are transferred to members of the immediate family.

I have suggested below amendatory language amply sufficient to close this glaring loophole.

Second, I am troubled by the provisions of Section 4 of Senate Bill No. 707 (1969) on three grounds. In the first place, the prohibition of Section 4 attaches only to the *purchase* of land by the State. Excluded from its coverage are *sales* of the State's interest in real property. Such sales include riparian grants and sales of land resulting from excess condemnation or the abandonment of State facilities. Secondly, Section 4 by its terms does not apply to the sale

or purchase by the State of either personal property, or intangible property. Thus, the prohibitions of Section 4 will not attach to the sale of used central motor pool cars by the Division of Purchase and Property, nor to sales by the Division of Investments to banks and underwriters of bonds and notes and money in the form of deposits. Lastly, the prohibitions of Section 4 are inapplicable to a legislator or State officer or employee unless he acts "knowingly." Although it may be assumed that reasonable knowledge will be imputed in some cases to the self-dealing legislator or State employee, the requirement of *scienter* invites the "ignorant" conduct of otherwise prohibited business—as through the use of unconsolidated subsidiaries of parent corporations.

I have suggested below corrective amendments intended to remedy these three defects.

VII

Apart from the inadequacies and deficiencies I have noted with respect to the provisions of S-707 (1969), it is also my opinion that three glaring omissions must also be corrected. Those omissions are as follows:

(1) Senate Bill No. 707 does not prohibit a member of the Legislature from participating, whether by voting or any other action, on the floor of either House or in committee or elsewhere, in the enactment or defeat of legislation in which the legislator has a direct, personal interest.

(2) Senate Bill No. 707 does not prohibit a member of the Legislature or a State officer or employee from disclosing for gain or using for the purpose of gain, whether directly or indirectly, confidential information acquired by him in the course of and by virtue of his official capacity.

(3) Senate Bill No. 707 does not prohibit any person from inducing or seeking to induce any member of the Legislature or any State officer or employee to violate the provisions of the bill or of any rules or codes of ethics promulgated thereunder.

Below are presented the amendments I recommend for the purpose of correcting these three omissions from the version of Senate Bill No. 707 (1969) presently before me.

VIII.

Although the remainder of my objections to Senate Bill No. 707 (1969) are relatively minor in nature, some of them technical, two factors deserve mention at this point.

First, my suggested amendments include language sufficient to appropriate to the Commission on Legislative and Executive Ethical Standards for the balance of this fiscal year the sum of $25,000. for the purpose of carrying out the provisions of this act. Without such financial support, the Commission would be totally unable to discharge meaningfully the duties imposed on it. I urge the Legislature to provide this modicum of support for a Commission charged with so extensive and sensitive a function.

Second, I note that Section 16 of Senate Bill No. 707 (1969) provides that the act shall take effect upon my approval thereof. I believe that the effective date of the act should be postponed until January 20, 1970—the date stipulated by law for the convention and organization of the 1970 Legislature and the inauguration of the Governor. Honest men made honest arrangements and took office or accepted employment on the strength of those arrangements more than one and three-quarter years ago. I do not believe that they should be penalized, in effect, by retroactive application to them of standards which were not applicable at the time they took office or accepted employment. Since the reorganization of the Legislature and the inauguration of the Governor would offer a natural "breaking point," I would urge the Legislature to adopt January 20, 1970 as the effective date of the act.

These and other minor features of Senate Bill No. 707 (1969) to which I object will be corrected by the amendatory language set out below.

IX

I would think it wise at this point to review the basic assumptions upon which, in my opinion, meaningful conflicts of interest legislation should be predicated:

1. *Public powers should not be used for personal advantage.*
2. *Majority rule should not be subverted by the exercise of influence on behalf of a tiny minority.*

3. *Continued existence of conflicts of interest will reduce efficiency and economy in government.*

4. *Government should be of just laws, rather than of men whose influence can bend the laws.*

5. *Public objectives cannot be achieved if conflicting private interests become paramount.*

The obvious thrust of these principles is the maintenance of public confidence in the integrity of their government, which can exist only by virtue of the continued consent of the public. The spectacle of public officers rewarding themselves or their families, or using their public offices for private gain, or compromising their obligations to preserve the public interest, has already resulted in increased disrespect and skepticism—not only for the processes of government, but for law itself. Honest and meaningful steps must be taken by the holders of public trust to reverse that tide of disrespect and skepticism.

The obligation upon me as Governor to take such steps leaves me no choice but to return Senate Bill No. 707 for reconsideration, with the recommendation that it be amended as follows:

On page 2, section 2, line 1, after "act" insert ", and unless a different meaning clearly appears from the context, the following terms shall have the following meanings".

On page 2, section 2, line 4, after "bureau," insert "office,".

On page 2, section 2, line 4, after "within" insert "or created by".

On page 2, section 2, line 6, after "commission" delete "in" and insert in lieu thereof "within or created by".

On page 2, section 2, line 10, after "agency," delete "including persons who serve without salary or other" and insert in lieu thereof "excluding special State officers or employees as defined in subsection (e) of this section.".

On page 2, section 2, line 11, delete line 11 in its entirety.

On page 2, section 2, line 17, delete "Joint Legislative Committee" and insert in lieu thereof "chief presiding officer of each house of the Legislature.".

On page 2, section 2, line 18, delete line 18 in its entirety.

On page 2, section 2, after line 18, insert new subsections (e), (f), and (g) as follows:

"(e) "Special State officer or employee" means any person holding an office or employment in a State agency, for which office or employment (1) no compensation is authorized or provided by law, or (2) no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law.".

"(f) "Person" means any natural person, association or corporation.".

"(g) "Commission" means the Commission on Legislative and Executive Ethical Standards created by section 14 of this act.".

On page 2, section 3, line 1, after "employee" insert ", special State officer or employee,".

On page 2, section 3, line 2, after "person" insert ", whether directly or indirectly and whether by himself or through his spouse or any member of his family or through any partner or associate,".

On page 2, section 3, line 2, after "favor" delete "or" and insert in lieu thereof ",".

On page 2, section 3, line 2, after "service" insert "employment or offer of employment or any other thing of".

On page 2, section 3, line 2, before "value" delete "having".

On page 2, section 4, line 2, delete "knowingly" and insert "represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, whether".

On page 2, section 4, line 2, before "any" insert "or through".

On page 2, section 4, line 4, after ''corporation'' delete ''render or'' and insert in lieu thereof '',''.

On page 2, section 4, line 5, delete line 5 in its entirety.

On page 2, section 4, line 6, delete ''service to''.

On page 2, section 4, line 6, before ''party'' insert ''person or''.

On page 2, section 4, line 7, after ''acquisition'' insert ''or sale''.

On page 3, section 4, line 7, before ''interest'' delete ''an'' and insert in lieu thereof ''any''.

On page 3, section 4, line 8, before ''property'' insert ''or tangible or intangible personal''.

On page 3, section 4, line 8, after ''acquisition'' insert ''or sale''.

On page 3, section 4, line 10, before ''shall'' delete ''herein'' and insert in lieu thereof ''contained in this section''.

On page 2, section 5, line 1, delete section 5 in its entirety and insert in lieu thereof the following new section 5:

''5. (a) No special State officer or employee, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending or likely to be pending before the State agency in which such or special State officer or employee holds office or employment.

(b) No State officer or employee or member of the Legislature, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connec-

tion with any cause, proceeding, application or other matter pending or likely to be pending before any State agency; provided, however, this subsection shall not be deemed to prohibit a member of the Legislature from making an inquiry for information on behalf of a constituent, if no fee, reward or other thing of value is promised to, given to or accepted by the member of the Legislature, whether directly or indirectly.

(c) Nothing contained in this section shall be deemed to prohibit any State officer or employee, special State officer or employee, or member of the Legislature, from representing, appearing for, or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding pending before any court of record of this State.''.

On page 3, section 6, line 1, delete section 6 in its entirety and insert in lieu thereof the following new section 6:

''6. (a) No State officer or employee or special State officer or employee, subsequent to the termination of his office or employment in any State agency, shall represent, appear for or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, whether by himself or through any partnership, firm or corporation in which he has an interest or through any partner, officer or employee thereof, any person or party other than the State in connection with any cause, proceeding, application or other matter with respect to which such State officer or employee or special State officer or employee shall have made any investigation, rendered any ruling, given any opinion, or been otherwise directly involved at any time during the course of his office or employment.

(b) No State officer or employee or special State officer or employee, within the two years next subsequent to the termination of his office or employment in any State agency, shall represent, appear for or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the State agency in which the State officer or employee or special

State officer or employee formerly held office or employment.''.

On page 3, section 7, line 1, delete section 7 in its entirety and insert in lieu thereof the following new section 7:

''7. (a) No member of the Legislature shall participate, whether directly or indirectly, by voting or any other action, on the floor of the General Assembly or the Senate, or in committee or elsewhere, in the enactment or defeat of legislation in which he has a personal interest, except that if prior to the vote for final passage by either the General Assembly or the Senate of any legislation in which he has a personal interest, he files with the Clerk of the General Assembly or the Secretary of the Senate, as the case may be, a statement (which shall be entered verbatim on the journal of the General Assembly or the Senate) stating in substance that he has a personal interest in the legislation to be voted on and that notwithstanding such interest, he is able to cast a fair and objective vote on such legislation, the member of the Legislature may cast his vote on such legislation.

(b) A member of the Legislature shall be deemed to have a personal interest in any legislation within the meaning of this section if, by reason of his participation in the enactment or defeat of any legislation, he has reason to believe that he will derive a direct monetary gain or suffer a direct monetary loss. No member of the Legislature shall be deemed to have a personal interest in any legislation within the meaning of this section if, by reason of his participation in the enactment or defeat of any legislation, no benefit or detriment could reasonably be expected to accrue to him, as a member of a business, profession, occupation or group, to any greater extent than any such benefit or detriment could reasonably be expected to accrue to any other member of such business, profession, occupation or group.''

On page 4, section 8, line 18, delete ''Joint Legislative''.

On page 4, section 8, line 19, delete ''Committee on'' and insert in lieu thereof ''Commission on Legislative and Executive''.

On page 4, section 8, line 20, after "employee" delete "in the Legislative Branch".

On page 4, section 8, line 21, after "section" delete ", or the" and insert in lieu thereof ".".

On page 4, section 8, line 22, delete lines 22-24 in their entirety.

On page 4, section 10, line 2, after "Jersey" delete "or shall represent".

On page 4, section 10, line 2, before "directly" insert "whether".

On page 4, section 10, line 3, after "gain," delete "any person before any".

On page 4, section 10, line 4, before "unless" delete "State agency".

On page 4, section 10, line 6, after "activity" delete "or representation".

On page 4, section 10, line 8, after "business" delete "or person represented and" and insert in lieu thereof ",".

On page 4, section 10, line 8, after "activity" insert ",".

On page 4, section 10, line 9, before "and" delete "before the State agency".

On page 4, section 10, line 10, after "record" insert "and shall be available for inspection upon request therefor".

On pages 4-6, section 11, after line 1, delete section 11 in its entirety and insert in lieu thereof the following new section 11:

"11. No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance or other matter related to his official duties, except reasonable fees for speeches or published works on matters within his official duties and accept, in connection therewith, reimbursement of actual expenditures

for travel and reasonable subsistence for which no payment or reimbursement is made by the State of New Jersey."

On pages 6-8, section 12, after line 1, delete section 12 in its entirety and insert in lieu thereof the following new section 12:

"12. No State officer or employee, special State officer or employee, or member of the Legislature shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he receives or acquires in the course of and by reason of his official duties. No State officer or employee, special State officer or employee, or member of the Legislature shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he receives or acquires in the course of and by reason of his official duties."

On pages 8-10, section 13, after line 1, delete section 13 in its entirety and insert in lieu thereof the following new section 13:

"13. No person shall induce or attempt to induce any State officer or employee, special State officer or employee, or member of the Legislature to violate any provision of this act or any code of ethics promulgated thereunder."

On page 10, after section 13, insert the following new sections 14, 15, 16, 17, 18, 19, 20, 21:

"14. (a) There is hereby created a Commission on Legislative and Executive Ethical Standards, which shall consist of the President of the Senate, the Speaker of the General Assembly, the President of the Civil Service Commission, the Governor, and five citizens appointed by the Governor with the advice and consent of the Senate. No more than three of the five citizens to be appointed by the Governor shall be members of the same political party. Of the five citizens appointed by the Governor, one shall serve a term of five years, one shall serve a term of four years, one shall serve a term of three years, one shall serve a term of two years, and one shall serve a term of one year. Thereafter, the citizens appointed by the Governor shall serve for terms of five years and until their successors shall have

been appointed and qualified. Any vacancy in the citizen membership of the Commission occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only. The Governor shall designate one of the citizens to serve as chairman and one of the citizens to serve as vice-chairman of the Commission. Each member of the Commission shall serve without compensation but shall be entitled to be reimbursed for all actual and necessary expenses incurred in the performance of his duties.

(b) The Commission, within the limits of funds appropriated or otherwise made available to it for the purpose, may employ such professional, technical, clerical or other assistants, expressly including legal counsel notwithstanding the provisions of any other law to the contrary, and may incur such expenses as may be necessary for the performance of its duties.

(c) For the purpose of performing its duties pursuant to the provisions of this act the Commission shall have the power

(1) to conduct examinations and hearings and to hear testimony and take proof, under oath or affirmation, at public or private hearings, on any matter material for its information, and to this end the members of the Commission and persons appointed by the Commission for such purpose are hereby empowered to administer oaths; and

(2) to issue subpœnas compelling the attendance of witnesses and the production of such books and papers as it may deem necessary, proper and relevant to any matter pending before it; and

(3) to apply to any court having jurisdiction of the offense to have punished for contempt any witness who refuses to obey a subpœna, or who refuses to be sworn or affirmed to testify, or who is guilty of any contempt after summons to appear.

(d) The said commission is authorized to render advisory opinions as to whether a given set of facts and circumstances would, in its opinion, constitute a violation of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act.

(e) The said commission shall have jurisdiction to initiate, receive, hear and review complaints regarding violations, by any State officer or employee in the Executive Branch, of the provisions of this act or of any code of ethics promulgated pursuant to the provisions of this act.''

''15. (a) Within six months of the effective date of this act, the head of each State agency, and the Speaker of the General Assembly and the President of the Senate jointly, shall promulgate codes of ethics to govern and guide the conduct of State officers and employees in the agency to which the code is applicable. Such code shall conform to the general standards hereinafter set forth in this section, but it shall be formulated with respect to the particular needs and problems of the agency to which said code is to apply. Any code of ethics promulgated pursuant to this section, or any portion thereof, shall not be effective unless and until it shall have been submitted to and approved by the Commission.

(b) A code of ethics promulgated pursuant to this section shall contain or conform to the following general standards:

(1) No State officer or employee should have or retain any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest.

(2) No State officer or employee should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government without promptly filing notice of such activity with the Commission on Legislative and Executive Ethical Standards.

(3) No State officer or employee should use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others.

(4) No State officer or employee should act in his official capacity in any matter wherein he has an indirect personal financial interest that might reason-

ably be expected to impair his objectivity or independence of judgment.

(5) No State officer or employee should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his objectivity and independence of judgment in the exercise of his official duties."

"16. Any person who willfully violates any provision of this act is a disorderly person, and shall be subject to a fine not to exceed $500.00, or imprisonment not to exceed 6 months, or both."

"17. (a) Any State officer or employee or special State officer or employee found, after hearing, by the Commission to have violated any provision of this act or any code of ethics promulgated thereunder shall be assessed a penalty of not less than $100.00 nor more than $500.00, which penalty may be collected in a summary proceeding pursuant to the Penalty Enforcement Law (N. J. S. 2A:58–1 *et seq*). Furthermore, violation of any provision of this act or a code of ethics promulgated thereunder shall be cause, in accordance with the provisions of Title 11 of the Revised Statutes and any regulations thereunder, for removal, suspension, demotion or other disciplinary action upon the motion of the appointing authority having the power to remove or discipline the State officer or employee or special State officer or employee involved. If, in addition, the commission shall find that the conduct of such State officer or employee or special State officer or employee constituted willful and continuous disregard of the provisions of this act or of a code of ethics promulgated thereunder, it may order such person removed, in accordance with any applicable provisions of Title 11 of the Revised Statutes or any regulations thereunder, from his office or employment and may further bar such person from holding any public office or employment in this State in any capacity whatsoever for a period of not exceeding 5 years from the date on which such finding was made by the Commission.

(b) Any member of the Legislature found, after hearing, by the Commission to have violated any provision of this act or any code of ethics promulgated thereunder shall be assessed a penalty of not less than

$100.00 nor more than $500.00, which penalty may be collected in a summary proceeding pursuant to the Penalty Enforcement Law (N. J. S. 2A:58–1 *et seq*). In addition, the Commission shall report its findings to the house of the Legislature in which such member of the Legislature was elected to serve, and shall recommend to such house such further action as the Commission may deem appropriate; provided, however, it shall be the sole responsibility of such house to fix and determine any such further action.''

''18. In any hearing under this act required or permitted to be held before the Commission, the Commission shall not be bound to apply the strict rules of evidence prevailing in civil actions in courts of competent jurisdiction.''

''19. If any section, subsection, paragraph, sentence or other part of this act is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this act, but shall be confined in its effect to the section, subsection, paragraph, sentence or other part of this act directly involved in the controversy in which said judgment shall have been rendered.''

''20. There is hereby appropriated out of the General Treasury to the Commission on Legislative and Executive Ethical Standards the sum of $25,000.00 for the purpose of carrying out the provisions of this act for the period ending June 30, 1970.''

''21. This act shall be known as, and may be cited as, the ''New Jersey Conflicts of Interest Law''.''

On page 10, section 14, line 1, renumber section ''14'' as section ''22''.

On page 10, section 14, line 1, after ''shall'' insert ''be deemed to alter, limit, restrict, enlarge or otherwise''.

On page 10, section 14, line 2, after ''employee'' insert '', special State officer or employee,''.

On page 10, section 14, line 2, after ''Legislature'' delete ''under'' and insert in lieu thereof ''pursuant to''.

On page 10, section 14, line 3, after ''into'' insert ''or agreement made in good faith''.

On page 10, section 15, line 1, renumber section "15" as section "23".

On page 10, section 15, line 1, before "repealed" insert "hereby".

On page 10, section 15, line 2, after "but" delete "the" and insert in lieu thereof "any".

On page 10, section 16, line 1, renumber section "16" as section "24".

On page 10, section 16, line 1, after "effect" delete "immediately" and insert in lieu thereof "January 20, 1970".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

SENATE BILL NO. 777

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 777, with my objections, for reconsideration.

This bill supplements the noncontributory pension legislation for County Court judges, in order to permit a judge who has served two years on the bench and who has attained the age of 60 and who has served at least 25 years in the aggregate in State, county, or municipal office, including election to the Legislature, and his surviving widow, to qualify for these benefits. In addition, the bill permits a judge who is eligible for pension benefits under the noncontributory act or under any other act to elect the benefits of this supplementary bill within 90 days of the effective date hereof, but does not permit him to qualify for both.

I have several objections of a technical nature with this bill. Accordingly, I recommend the following changes:

1. *Page 1, Section 1, Line 2:* Delete "2" and add "9".

2. *Page 1, Section 1, Line 2:* Delete "60" and add "70".

3. *Page 1, Section 1, Line 3:* Delete "25" and add "30".

4. *Page 1, Section 1, Line 5:* After the word "Legislature" add "for at least 3 terms".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 16

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 16 with my objections, for reconsideration.

Assembly Bill No. 16 amends and supplements the General Noncontributory Pension Act as adopted in 1956, providing that retirement allowances may be increased or decreased by ordinance to reflect increases or decreases in the cost of living, based on consumer price indices of the United States Department of Labor.

Although I support the intent of this bill, the index on which such an increase or decrease is based should be uniform within the municipality and throughout the State. In 1955 the Study Commission that recommended the repeal of more than 100 special pension bills and the enactment of the General Noncontributory Act purposely pro-

vided for no discrimination between pensioners of any particular municipality or agency since this was a free pension to be provided by the taxpayers and towards which the employee had not made any contribution. The only discretion to be exercised was the enactment of the legislation with respect to its application in any particular community. Assembly Bill No. 16 would defeat this recognized need for consistency by permitting a municipality to utilize any one or a series of consumer price indices.

P. L. 1969, c. 143, now authorizes the Director of the Division of Pensions to adjust retirement allowances or pensions for any public employee participating in the Public Employees' Retirement System to reflect changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items, Series A, of the United States Department of Labor. It is this Index which should also be adopted for the purposes of Assembly Bill No. 16.

P. L. 1969, c. 143, as enacted, also establishes a ceiling of ½ of the per centum of change in the Index on the amount of adjustment permissible in the retirement allowance. Although Assembly Bill No. 16 is merely permissive, giving the municipality or public agency the option to reflect consumer price indices, they will inevitably be under considerable pressure to exercise this option. It would not be equitable to grant public employee pensioners whose pensions are paid for entirely through tax revenues the full amount of the consumer price increase while public employees whose pensions represent moneys which they have contributed during their tenure are receiving only half this adjustment.

Section 2, of Assembly Bill No. 16 would permit pension increases, through ordinance, for an yemployee whose tenure was between January 1, 1942 and April 1, 1964, equal to any increase in the amount of such individual's Social Security benefit. This section is clearly designed to benefit an unreasonable class of pensioners in violation of such prohibitions in the N. J. Const., Article IV, Sec. VII, par. 7 and Article IV, Sec. VII, par. 9(5).

I am, therefore, returning Assembly Bill No. 16, for reconsideration and suggest the following amendments:

1. *Page 2, Section 1, Line 27:* Delete the word "indices" and insert after the word "Price" and before the word "of" "Index for Urban Wage Earners and

Clerical Workers, All Items, Series A, of the United States Department of Labor'' (1957, 1959-100).

2. *Page 2, Section 1, Line 28:* Insert after the ''.'' the words ''Such adjustment in the retirement allowances or pensions shall not exceed ½ of the per centum of change in the Index as determined by the Director of the Division of Pensions pursuant to P. L. 1969, c. 143.''

3. *Page 2, Section 2, Lines 1 to 7:* Delete Section 2 in its entirety.

4. *Page 2, Section 3, Line 1:* Delete ''3''. Insert in lieu thereof ''2''.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 136

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 136 for reconsideration.

P. L. 1952, c. 299, provided for the regulation of the operation or conduct of motor vehicle races and exhibitions generally. Assembly Bill No. 136 is a supplement to that act as amended and would provide for the licensing by the Department of Law and Public Safety of any municipality for the conduct of mini-bike, mini-car or cart motor vehicle races or exhibitions. Any municipality seeking such a license must comply with the safety requirements prescribed by the law to which it is a supplement and rules and regulations issued pursuant thereto. In addition, under A-136, the Department of Law and Public Safety is to formulate

and prescribe special rules and regulations applicable to mini-bikes, mini-cars and cart races in which the participants are children.

Responsible objections have been raised to this measure questioning the wisdom of encouraging local youths to race on municipal streets, albeit under supervision, and cautioning that police protection for the races will prove an additional cost to the municipality. As these are considerations which are best evaluated and resolved within each of the respective municipalities by the local community itself, I would not preclude their decision that races should be held by vetoing this bill.

Even assuming, however, that these races and exhibitions would be an appropriate response to the increasing need for youth programs and that the strictest safety requirements would be imposed by the regulations issued under this bill, I nonetheless cannot support the bill in its present form.

Assembly Bill No. 136 would permit a municipality to be granted a license "without payment of fee and without providing evidence of liability insurance." Although limited municipal revenues support the waiver of license fees, permitting races or exhibitions in the absence of any liability insurance for the participants and spectators who might be injured is completely unacceptable. The law passed in 1952 permitting the conduct of motor vehicle and race exhibitions under certain conditions was amended in 1953 to require evidence that the promoter of a race had sufficient liability insurance to cover mishaps and injuries resulting from the race. There has been no documentation accompanying the introduction of this bill or recorded during the past 17 years to indicate that such coverage and protection is unnecessary. Particularly as this bill would permit small children to be participants in races or exhibitions, and thus increase their presence as spectators, the insurance protection can hardly be lessened.

A technical defect in the bill should also be remedied. In requiring that the applicant comply with the safety requirements prescribed by P. L. 1953, c. 174, the citation is incorrectly given as C. 5:7–13 *et seq.*

I am therefore returning this measure to the Senate for its reconsideration with the following suggested amendments:

1. *Page 1, Section 1, Line 5:* Delete "and without providing evidence".

2. *Page 1, Section 1, Line 6:* Delete in its entirety.

3. *Page 1, Section 1, Line 7:* Delete "this act is a supplement (C. 5:7–13)".

4. *Page 1, Section 1, Line 9:* Delete "13" and insert "10".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 356

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 356, with my objections, for reconsideration.

Assembly Bill No. 356 would require any person engaged in the business of renting or leasing motor vehicles to submit to every individual renting a vehicle a signed statement affirming that in his judgment the vehicle: (1) satisfies inspection standards and (2) is equipped with a spare tire which meets such inspection standards.

Requiring that any person who rents an automobile to an individual must sign a piece of paper indicating that "in his judgment" the automobile is safe, provides the driver of the automobile with limited guarantees, as there are no criteria which must be considered prior to exercising such judgment. It cannot be expected that the owner of an agency renting any number of cars can conduct even a cursory inspection prior to each rental. No expertise with regard to serviceability on his part is required nor are any precautionary maintenance checks imposed. Presumably, it could be successfully argued that "his judg-

ment'' need only be based upon the fact that the car passed its annual periodic inspection.

Although it would be desirable to assure each individual renting an automobile that the vehicle is equipped with a spare tire, the requirement that this be effected by affirming the fact in a signed statement is both awkward and unnecessary.

Section 2 of Assembly Bill No. 356, rendering any person violating the provisions of this act guilty of a misdemeanor, is redundant as N. J. S. A. 45:21–12 which this bill amends establishes such a penalty for any violation of the chapter.

I am therefore returning Assembly Bill No. 356 without my approval and recommend the following:

1. *Page 1, Section 1, Lines 1 to 12:* Delete Section 1 in its entirety and insert in lieu thereof:

> Each motor vehicle rented or leased by any person engaged in the business of renting or leasing motor vehicles to any other person, shall satisfy the standards promulgated by the director for the purpose of periodic inspection of motor vehicles pursuant to Chapter 8 of Title 39 of the Revised Statutes and shall be equipped with at least one spare tire which if mounted on the vehicle, would satisfy said inspection standards.

2. *Page 1, Section 2, Lines 1 and 2:* Delete Section 2 in its entirety.

3. *Page 1, Section 3, Line 1:* Delete "3" and insert "2".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

ASSEMBLY BILL No. 443 (OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Assembly Bill No. 443, without my approval, for reconsideration.

Assembly Bill No. 443 is intended to authorize licensed motor vehicle dealers to issue temporary 20-day registration of automobiles prior to permanent registration with the Division of Motor Vehicles. As originally introduced, the bill was limited to non-residents purchasing an automobile in New Jersey enroute to another state. Subsequent Assembly amendments extended the terms of the bill to allow temporary registration for residents and non-residents alike.

The original intent of the bill was to allow New Jersey automobile dealers to compete effectively with those in other states who have similar privileges for out-of-state purchasers. I join completely in the effort to make it possible for our own businessmen to meet competition from other jurisdictions. Moreover, there is no reason why a non-resident—who must register in his home state—should be required to secure permanent registration in New Jersey in order to legally drive his car home. However, I cannot accept the result of the Assembly amendments which extended the temporary registration privileges provided by Assembly Bill No. 443 to New Jersey residents as well. This step would serve only to add an additional $5.00 to the purchase price of an automobile bought by a New Jersey resident, since he would eventually still have to pay the permanent registration fee and still have to make the trip to the motor vehicle agency for permanent registration. In addition, the New Jersey resident as taxpayer would also have to pay for the cost of the supervision of some 3,500 motor vehicle dealers under this act. Not only must forms be provided, fees collected and guidelines enforced, but the problem of keeping track of the number and ownership of vehicles on our roads would be considerably complicated.

In addition, there are numerous technical defects in the bill as it is now drafted. It would appear, for instance, that a licensed dealer could issue a temporary registration certificate but the Director of Motor Vehicles could not. Furthermore, amendments of Title 39 made by P. L. 1969, c. 103 have not been incorporated. Moreover, the terms "automobile" and "motor vehicle" are used interchangeably in Assembly Bill No. 443 despite the fact that under the definitions of Section 39:1–1 of the Revised Statutes they have quite different meanings and implications.

Therefore, I respectfully recommend the following changes, which would extend the privilege of temporary registration to non-residents and correct these and other technical defects:

1. *Page 1, Section 1, Line 1:* After the word "Any" and before the word "nonresident" delete the phrase "person, resident or".

2. *Page 1, Section 1, Lines 2 and 3:* After the word "State" and before the word "from" insert the phrase "while en route to another State or Federal District".

3. *Page 1, Section 1, Line 10:* After the word "mobile" and before the word "including" delete the phrase "or motorcycle".

4. *Page 1, Section 1, Line 15:* After the word "carrier," delete the word "which".

5. *Page 1, Section 1, Lines 16 to 22:* Delete the present language and insert in lieu thereof the phrase "and said application shall contain the name of the insurer of said vehicle and the policy number."

6. *Page 1, Section 1, Line 23:* After the word "terminated," delete the phrase "the owner of such".

7. *Page 2, Section 1, Line 24:* Before the phrase "the insurer shall" delete the phase "vehicle shall notify the director within 5 days, and".

8. *Page 2, Section 1, Line 25:* After the word "termination" delete "; pro-" and insert in lieu thereof a ".".

9. *Page 2, Section 1, Lines 26 to 34:* Delete the present language in its entirety.

10. *Page 2, Section 1, Line 35:* After the word "the" and before the phrase "licensed dealer" insert the phrase "director or".

11. *Page 2, Section 1, Line 37:* After the word "any" and before the word "if" delete the phrase "motor vehicle" and insert in lieu thereof the word "automobile".

12. *Page 2, Section 1, Line 40:* After the word "the" and before the word "fee" delete "$5.00".

13. *Page 2, Section 1, Line 49:* After the word "registration" insert the phase "pursuant to Section 39:3–4 of

the Revised Statutes, and after payment of the fees prescribed therein.''.

14. *Page 2, Section 1, Line 50:* After the word ''issue'' and before the word ''registration'' insert the word ''temporary''.

15. *Page 2, Section 2, Line 7:* After the word ''his'' and before the word ''or'' delete the word ''right'' and insert in lieu thereof the word ''privilege''.

16. *Page 2, Section 2, Line 8:* After the word ''plates.'' insert the following sentences: ''The director shall also annually determine the fee to be charged and paid pursuant to this act, except that no such fee shall exceed the actual cost to the State of New Jersey of implementing and enforcing the terms and provisions of this act. All moneys received by such licensed dealers for temporary registrations, certificates and plates granted under the provisions of this act shall forthwith be deposited as received with the State Treasurer.''.

17. *Page 2, Section 3, Line 2:* After the word ''agency'' insert the phrase ''or agent designated pursuant to Section 39:3–3 of the Revised Statutes.''.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

ASSEMBLY BILL No. 459

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 (b) of the Constitution, I herewith return Assembly Bill No. 459, with my objections, for reconsideration.

This bill would permit any domestic or foreign surety company, qualified to transact business in this State, to

become surety as to any guarantee arrest bond certificates issued by any automobile club or association in any amount not exceeding $200. The form of the bond is to be prescribed by the Commissioner of Banking and Insurance. The bill further provides that any guarantee arrest bond certificate so issued, shall be accepted in lieu of cash bail or other bond in all courts of this State when the person is arrested for violation of any State motor vehicle law or any municipal motor vehicle ordinance, except driving under the influence of liquors, or drugs, or any high misdemeanor. These certificates are to be subject to the same forfeiture and enforcement provisions provided by law with respect to bail bonds in criminal cases.

When automobile clubs or associations issue guarantee arrest bond certificates they really act as agents for surety companies. Surety bonds are essentially contracts of insurance against loss by reason of a breach of duty or of an obligation. In this case, the bond guarantees the appearance of a person accused of the violation of any motor vehicle law so as to enable him to enjoy personal freedom pending his trial. Accordingly, agents who procure such insurance should be subject to regulation similar to that which governs other insurance agents. NJSA 17:22–6.6. The amendment I have offered below makes clear that the Commissioner has the power to exert that minimal degree of regulatory supervision which is necessary to protect the interests of the motoring public.

Accordingly, I respectfully recommend the following change in Assembly Bill No. 459:

Page 1, Section 2, line 2: After "insurance" add ", and subject to such regulations as he shall from time to time prescribe in regard thereto,"

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

ASSEMBLY BILL No. 536

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 536, my objections, for reconsideration.

Assembly Bill No. 536 would give standing to any citizen of a municipality to institute any appropriate action for the enforcement of a local zoning ordinance (R. S. 40:55–47). The statement appended to the bill indicates that its intent was to reverse the holding of *Cranford* v. *Errico,* 94, N. J. Super. 395 (Cty. Ct. 1967); *Contra, State* v *Seich,* 98 N. J. Super. 466 (Cty. Ct. 1967).

The remedies which may be invoked pursuant to R. S. 40:55–47 are both civil and criminal in nature. Thus, a municipality may seek to impose a fine on the theory that a violation of a zoning ordinance is a criminal violation of a municipal ordinance. This power, however, is supplemented by the power to seek an injunction, a civil order of the court directing a landowner to take certain steps in order to correct any violations of the zoning ordinance on his property, *Borough of Alpine v. Brewster*, 7 N. J. 42 (1951). The intent of the statute in question was to provide the municipality with this additional civil remedy.

Individual abutting landowners have always had standing to seek an injunction when their own property was affected, *Stokes v. Jenkins*, 107 N. J. Eq. 318 (1931). The language of Assembly Bill No. 536, However, would appear to extend the right to a civil remedy and an injunction to any citizen of the municipality, abandoning the requirement that an individual's property be directly affected. This appears to be too broad an expansion of the right so seek an injunction in any civil matter. Conversely, the limitation of the remedy to "any citizen of the municipality" would appear to create the possibility that a person residing in another municipality, whose property is affected and abutting, would have no remedy, simply because he is across an invisible municipal boundary, see *Borough of Creskill v.*

Borough of Dumont, 28 N. J. Super. 26, aff'd. 15 N. J. 238 (1953).

It is my belief that this was not the intent of the sponsor. Therefore, I would respectfully recommend the following changes:

Page 1, Section 2, Lines 2 and 3: Delete the present language and insert in lieu thereof the following:

> "The term 'other interested party' in a criminal or quasi-criminal proceeding shall include: (a) any citizen of the State of New Jersey; and (b) in the case of a civil proceeding in any court or in an administrative proceeding before a municipal agency, any person, whether residing within or without the municipality, whose right to use, acquire, or enjoy property is or may be effected by any action taken under the act to which this act is a supplement, or whose rights to use, acquire, or enjoy property under the act to which this act is a supplement, or under any other law of this State of the United States have been denied, violated or infringed by an action or a failure to act under the act to which this act is a supplement."

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 566

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 566, for reconsideration.

Assembly Bill No. 566 proposes to amend the law relating to wage garnishments. Under present law, an execution

against the wages of any person may not exceed 10% of that person's wages, unless the person has an income in excess of $2,500 per annum. If, however, a person has an income exceeding $2,500 per annum, the execution may be for more than 10% of his wages. Assembly Bill No. 566 would allow a court to enter a wage execution which took more than 10% of the salary of any person with an income of less than $2,500 when the wage execution was to be applied to "suitable support and maintenance of a wife, child or children".

The original limitation on wage executions was imposed with the recognition that no public policy would be served by driving the debtor into paupery. The dollar limitation of $2,500 reflects the concept that whatever a person's debts, he should be allowed to retain enough to survive himself. Assembly Bill No. 566 brings forward another social policy, namely, that the support and maintenance of a wife and children should take priority. While this is an appealing idea, it is deceptively simple. It is certainly clear that no individual today can live very well on $2,500 a year. This standard was originally enacted in 1938 in the depths of the depression when $2,500 went quite a bit further than it does today. In fact, $2,500 in 1938 had the purchasing power of over $6,000 today.

To expect that a creditor could take still more out of this minimum amount for survival without having serious unintended effects is unrealistic. No family will be benefited if so much of a person's income is garnished that a debtor is either forced to flee the jurisdiction, or enter into bankruptcy. Moreover, there would certainly be little incentive for any person to continue to hold employment if more than 10% of his $2,500-a-year income were taken. It would be far simpler to pass on to the public assistance rolls. In short, sound public policy does not support the change made by Assembly Bill No. 566.

Other changes in our law, however, are warranted, both by sound policy reason and recent events. The entire structure of wage garnishment in New Jersey is antiquated. In fact, I believe that it may be subject to challenge under the Consumer Credit Protection Act of 1968 (82 Stat. 163; 15 USCA § 1671 *et seq.*), the "Truth in Lending Act". Section 303 of that Act limits a garnishment to 25% of the disposable earnings of any person, or 30 times the Federal minimum hourly wage, whichever is less. (It should be noted that support orders are excepted from this restriction, an excep-

tion which should be rejected by this State for the reasons stated above). Under Section 305 of the Act, the Secretary of Labor may, by regulation, exempt from these limits any garnishment issued under the laws of any state only if the laws of the state "provide restrictions on garnishment which are substantially similar to those provided in Section 303(a)" (15 USCA § 1675).

While this portion of the Federal law does not become effective until July 1, 1970, it would appear to be appropriate to take this opportunity to correct the defects in our statutory law as soon as possible. The present Federal minimum wage is set at $1.60 per hour. In other words, under Federal law, no garnishment will be allowed when a person's "disposable earnings" is less than $2,500, not even the 10% presently alowed under New Jersey law.

Given these facts, and the policy of preserving to the debtor a reasonable living standard, I would strongly recommend that the limitation on garnishments of more than 10% of income, be raised from the present $2,500 to $5,000. Moreover, I would call the attention of the Legislature to the provisions of Section 302 (15 USCA § 1672) of the Consumer Credit Act defining "earnings" and "disposable earnings". These definitions are inconsistent with the definitions of property subject to execution contained in NJS 2A:17–50. The Federal law, in effect, computes "disposable earnings" and applies its dollar amount limitations to wages and income after taxes and other mandatory deductions. In other words, New Jersey's dollar amount limitations on garnishments probably fall below the Federal standard. I would therefore recommend that the Legislature correct this and other defects prior to the effective date of the Federal law.

I would also call the attention of the Legislature to the fact that the Truth in Lending Law prohibits any employer from discharging an employee because his wages have been garnished (15 USCA § 1674). I have frequently called for such legislation in New Jersey myself, and a bill is pending in the Legislature which would enact such a prohibition—Assembly Bill No. 205. This change in Federal law does not diminish in any way the need for enactment of this legislation. It is still necessary to insure that employers not in interstate commerce be subject to similar restrictions and that New Jersey citizens, who are their employees, be afforded similar protection.

I am also taking the opportunity in this message to correct a technical defect in Assembly Bill No. 566, resulting from the fact that it does not take into account the amendments in the sections amended by P. L. 1969, c. 92. I therefore respectfully recommend the following changes:

1. *Page 1, Section 1, Line 8:* Delete the figure "$2,500.00" and insert in lieu thereof the figure "$5,000.00".

2. *Page 1, Section 1, Line 9:* After the word "percentage" delete "; provided," and insert in lieu thereof a ".".

3. *Page 1, Section 1, Lines 10 through 14:* Delete lines 10 through 14 in their entirety.

4. *Page 1, Section 2, Line 9:* Delete the figure "$18.00" and insert in lieu thereof the figure "$48.00".

5. *Page 2, Section 2, Line 12:* Delete the figure "$18.00" and insert in lieu thereof the figure "$48.00".

6. *Page 2, Section 2, Line 14:* After the word "percentage" delete "; provided," and insert in lieu thereof a ".".

7. *Page 2, Section 2, Lines 15 through 19:* Delete lines 15 through 19 in their entirety.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
July 2, 1969.

ASSEMBLY BILL No. 598

To the General Assembly:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 598, with my objections, for reconsideration.

This bill would amend and supplement in many respects the "Higher Education Assistance Authority Law," chap-

ter 72 of Title 18A of the New Jersey Statutes. The major provisions of A-598 (1969) would: (1) grant to the Higher Education Assistance Authority the power to issue revenue bonds and to pay incentive fees to cooperating lenders; and (2) obligate the Authority to purchase from cooperating lenders personal notes representing higher education loans made by the lenders. These provisions were designed to strengthen the New Jersey Student Loan Program in order that deserving students will have access to higher education loans even in the fast-paced and fluctuating money markets of today.

Ten years ago, when the Higher Education Assistance Authority Law was enacted, our Student Loan Program represented a near-perfect solution to a potentially staggering problem. Operated exclusively through decentralized, private lending institutions, our Student Loan Program has enabled thousands of young men and women to meet the expenses of their college educations. Until recent times no severe problems were encountered by prospective college students in their attempts to secure higher education loans through the joint efforts of private lending institutions and the Authority.

Within the past few years, however, several factors have contributed jointly to the development of severe pressures on our Student Loan Program. First, the post-World War II "baby-boom" has approached its crest, with greatly increased numbers of young people as potential college students. Second, the costs of college education—just as the cost of practically all other items or services—has climbed rapidly in the period of constant inflation running from the 1957-1958 parity base until today. Lastly, the mechanics of the money market today are fast grinding to a halt in this period of "tight" credit and high interest rates. While all these factors, in varying degrees, are responsible for the difficulties the Student Loan Program faces today, the primary problem lies in the money market.

It should be noted that numerous entities compete in the money market for the use of borrowed money—major corporations, individuals, small businesses, even other banks. The potential college student who seeks to enter this competition today does so under two major disabilities. First, applicable Federal law limits the interest that may be paid on student loans to 7% of the principal amount. Accordingly, the young person who needs a student loan finds it

increasingly difficult to compete with, for example, corporations that are not only willing to pay 10-14% interest, but also to maintain a "compensating balance" on deposit with the potential lender. Second, repayment of student loans must often be delayed until five years after the loan is executed—or one year after the graduation of the student-borrower. Yet, on the other hand, repayment of practically all other loans executed by a lending institution begins within three months of execution—and that as an outside date. Accordingly, the time-cost to a lending institution of student loans is clearly greater than the time-cost to it of other loans. For essentially these two reasons, then, lending institutions are increasingly reluctant to encumber large sums of their deposits in student loans.

In order that the record may be clear, however, I think it important to note the significant role the lending institutions have played in our Student Loan Program. By way of example, the lending institutions of this State have made outstanding student loans of $70,000,000.00 approximately $38,000,000.00 of which bear only 5% or 6% interest. Great credit must go to the lending institutions of this State for the major community service they have rendered by continuing to make financially unattractive student loans. However, it is unrealistic to expect this record of past service to continue in the face of the present money market and the problems I have noted.

This bill attempts to deal with the problems I have outlined by empowering the Higher Education Assistance Authority to issue revenue bonds. The proceeds of the bonds to be issued by the Authority would be used by the Authority to purchase outstanding student notes from lending institutions. The bill makes the obligation to purchase outstanding notes mandatory—including the 5% and 6% loans of which there are approximately $38,000,000.00 outstanding. In today's market, however, it is painfully clear that the return on the 5% and 6% loans would not be sufficient to repay the principal and interest on revenue bonds issued by the Authority. Moreover, the bill does not provide for any suspension of the Authority's mandatory purchase obligation—a necessary provision as a hedge against even more serious money market conditions.

To correct these serious defects, I am recommending two major amendments to the mandatory purchase provisions of Assembly Bill No. 598. The first would relieve the Au-

thority of any obligation to purchase student notes executed prior to August 3, 1968, which is the date when Federal law was amended to permit interest on student loans at 7%. The second would grant the Higher Education Assistance Authority the power to refuse to purchase student loans from eligible banks on a prospective basis. This power is necessary if the State is to be protected in the repayment of its revenue bonds from market conditions which would make the acceptance of 7 per cent loans inadvisable.

In addition to these two important amendments, I am recommending additional amendments on the advice of bond counsel to strengthen the marketability of those bonds to be issued by the Higher Education Assistance Authority. These amendments provide for a reserve fund which would be guaranteed by the Legislature and a veto of all action by the Higher Education Assistance Authority within a ten-day period by the Governor. This latter provision is one in force for almost all State and inter-state authorities.

Assembly Bill No. 598, if amended in accordance with my recommendations, would permit the Higher Education Assistance Authority to make direct loans to students. This power is included in order that catastrophic market conditions, should they occur, will not preclude students from obtaining loans. The power to make direct loans should only be used under those conditions where it is clearly impossible for New Jersey lending institutions to issue student loans because of the unattractive rate of return.

I am also recommending amendments which would establish the independence of the reserve fund which is maintained by statute at a constant $6 million level for guaranteeing student loans against default. This fund should be maintained separately from the reserve fund being recommended for covering the Authority's obligations in the repayment of its revenue bonds.

I note that Assembly Bill No. 598 also authorizes the Higher Education Assistance Authority the discretion to pay incentive fees to lending institutions. These fees would have the effect of increasing the rate of return to banks on student loans. However, no appropriation was made for these fees and it is not possible for the proceeds from revenue bond sales to be used for these purposes. The Legislature should understand that a significant program

of incentive fees might cost hundreds of thousands of dollars in the first year and would increase substantially in subsequent years.

In making the following recommendations, I have considered carefully the most economical approach for the State of New Jersey, the needs of our prospective college students, and the creditable service of New Jersey lending institutions. I have consulted with representatives of New Jersey lending institutions and the chief sponsor of Assembly Bill No. 598, Assemblyman Ewing. They understand the deficiencies which I have outlined and agree that remedial action must be taken in accordance with my recommendations.

Accordingly, I herewith return the measure for reconsideration and with the recommendation that it be amended as follows:

On page 1, section 1, line 9, after "includes" insert "the authority and".

On page 2, section 2, line 7, after "constitute" delete "a political subdivision of the State established as".

On page 2, section 2, line 8, after "instrumentality" insert "of the state".

On page 3, section 3, line 6, after "or" insert "(a)".

On page 3, section 3, line 7, after "or" insert "(b) as shall be received by the authority".

On page 3, section 3, line 8, after "or" insert "(c) as shall be loaned to the authority by any other agency or authority of the State, or (d) as shall be received by the authority from".

On page 3, section 3, line 8, before "the" delete "by".

On page 3, section 3, line 10, after "law," insert "or (e) as shall be received by the authority from the resale of its participation notes in approved loans made pursuant to this chapter, or (f) as shall be received by the authority from the repayment of approved loans made pursuant to this chapter.".

On page 3, section 3, line 10, before "capital" delete "and the" and insert "The".

On page 3, after section 3, insert a new section 4 to read as follows:

"4. Section 18A:72–9 of the New Jersey Statutes is amended to read as follows:

18A:72–9. Those authorized to make loans.

The authority, or any financial or credit institution (including an insurance company) which is subject to the examination and supervision of the department of banking and insurance of this state or by an agency of the United States, any federal credit union, and any national bank organized under the acts of congress of the United States and doing business in this state and any federal savings and loan association having its principal office in New Jersey may make loans under this chapter pursuant to such rules not inconsistent with this chapter and by the use of such forms, as the authority shall prescribe."

On page 3, section 4, line 1, delete "4" and insert "5".

On page 3, section 4, line 5, before "assist" insert "make loans to persons or to".

On page 4, section 4, line 16, after "be" insert "made,".

On page 4, section 4, line 29, after "chapter" insert ", and to buy and sell participations in approved notes made pursuant to this chapter".

On page 4, section 4, line 31, after "funds" insert "(a) to make loans in accordance with the provisions of subsection (1) of this section; (b)".

On page 4, section 4, line 34, after "law" delete ", and" and insert "; and (c)".

On page 4, section 5, line 1, delete "5" and insert "6".

On page 5, section 6, line 1, delete "6" and insert "7".

On page 5, section 7, line 1, delete "7" and insert "8".

On page 6, section 8, line 1, delete "8" and insert "9".

On page 6, section 9, line 1, delete "9" and insert "10".

On page 6, section 10, line 1, delete "10" and insert "11".

On page 6, section 11, line 1, delete "11" and insert "12".

On page 7, section 12, line 1, delete "12" and insert "13".

On page 7, section 13, line 1, delete "13" and insert "14".

On page 8, section 14, line 1, delete "14" and insert "15".

On page 8, section 15, line 1, delete "15" and insert "16".

On page 9, section 16, line 1, delete "16" and insert "17".

On page 9, section 17, line 1, delete "17" and insert "18".

On page 9, section 17, line 8, before "and" delete ",".

On page 9, section 17, line 8, after "and" insert ", unless the authority is the lender,".

On page 9, section 17, line 9, after "lender" insert ",".

On page 10, section 17, line 32, after "by" delete "rule" and insert "resolution of the members thereof,".

On page 10, section 17, line 33, after "fee" insert "solely with respect to loans made, placed or guaranteed after August 1, 1969, which incentive fee shall be computed".

On page 10, section 18, line 1, delete "18" and insert "19".

On page 10, section 19, line 1, delete "19" and insert "20".

On page 10, section 19, line 14, after "(2)" insert "(a)".

On page 11, section 19, line 29, after "which" delete "at least".

On page 11, section 19, line 30, delete "equal the amount of such excess" and insert "are in excess of such sum or percentage".

On page 11, section 19, after line 48, insert a new subsection "(2)(b)" to read as follows:

"(b) Notwithstanding the provisions of subsection (2)(a) of this section . . .

(1) the authority shall be under no obligation to, but may in its discretion, purchase approved notes, or any participation therein, which were made, placed or guaranteed on or before August 3, 1968;

(2) no approved notes, nor any participation therein, shall be purchased by the authority from any lender unless such lender, as a condition precedent to any such purchase, shall agree to use that portion of any monies to be paid to such lender incident to such purchase which represents the aggregate principal amount of such notes or participation therein for the purpose of making loans authorized under this chapter;

(3) the authority is hereby authorized, by resolution of the members thereof, from time to time to suspend or terminate and renew its obligation to purchase approved notes or participations therein pursuant to subsection (2)(a) of this section; provided, however, that any resolution of the authority suspending or terminating its obligation to purchase approved notes or participations therein shall be effective only as to approved notes made, placed or guaranteed subsequent to the close of the fifth business day following the adoption of such resolution."

On page 11, after section 19, after line 48, insert new sections 21, 22, 23 and 24 to read as follows:

"21. Section 18A:72–17 of the New Jersey Statutes is amended to read as follows:

18A:72–17. Reserve fund; minimum amount

The sum total of all reserve funds set aside by the authority in accordance with the provisions of this chapter, other than monies held in the New Jersey

Higher Educational Assistance Capital Reserve Fund, together with such amount as the authority may set aside, out of the fund, to meet the payment by the authority of approved notes submitted to it for purchase in accordance with the provisions of Section 18A:72–16(1), shall in no event be less than $6,000,000.00 minus the unpaid balance of notes purchased during the preceding 12 months or the encumbered reserves required to be maintained on all approved loans from time to time outstanding that were approved prior to the effective date of this act, whichever is greater.

The authority shall annually, on or before September 15, ascertain and determine, (a) an amount necessary to increase the estimated net balance of the fund as of June 30 of the next ensuing fiscal year to $6,000,000.00 and (b) an amount necessary to meet the estimated disbursements to be made by the authority in accordance with the provisions of Section 18A:72–16 (1) during the next ensuing fiscal year less the estimated revenue of the authority during the next ensuing fiscal year. The chancellor on recommendation of the authority shall certify to the Governor the amount so determined, in the form prescribed by P. L. 1944, chapter 112, and the greater of the 2 amounts shall be appropriated and paid to the reserve fund.

"22. A true copy of the minutes of every meeting of the authority shall be forthwith delivered by and under the certification of the secretary thereof, to the Governor. No action taken at such meeting by the authority shall have force or effect until 10 days after such copy of the minutes shall have been so delivered. If, in said 10-day period, the Governor returns such copy of the minutes with veto of any action taken by the authority or any member thereof at such meeting, such action shall be null and of no effect. If the Governor shall not return the minutes within said 10-day period, any action therein recited shall have force and effect according to the wording thereof. At any time prior to the expiration of the said 10-day period, the Governor may sign a statement of approval of any such action of the authority, in which case the action so approved shall not thereafter be disapproved.

Notwithstanding the foregoing provisions of this section, with regard to the sale and award of bonds of the authority, the authority shall furnish to the Governor a certified copy of the minutes of the meeting at which said bonds are sold and awarded forthwith upon the taking of such action and the Governor shall indicate his approval or disapproval of such action prior to the end of the business day upon which such action of the authority was taken.

The powers conferred in this section upon the Governor shall be exercised with due regard for the rights of the holders of bonds of the authority at any time outstanding, and nothing in, or done pursuant to, this section shall in any way limit, restrict or alter the obligation or powers of the authority or any representative or officer of the authority to carry out and perform in every detail each and every covenant, agreement or contract at any time made or entered into by or on behalf of the authority with respect to its bonds or for the benefit, protection or security of the holders thereof.

"23. (a) The authority shall establish and maintain a special fund called the 'New Jersey Higher Educational Assistance Capital Reserve Fund' in which there shall be deposited (1) all moneys appropriated by the State for the purpose of such fund, (2) all proceeds of bonds required to be deposited therein by terms of any contract between the authority and its bondholders or any resolution of the authority with respect to such proceeds or bonds, and (3) any other moneys or funds of the authority which it determines to deposit therein. Moneys in the reserve fund shall be held and applied solely to the payment of the interest on and principal of bonds of the authority as the same shall become due and payable and for the retirement of bonds, and shall not be withdrawn therefrom if such withdrawal would reduce the amount in the reserve fund to an amount equal to less than the 'maximum debt service reserve' (as hereinafter defined) except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and for the retirement of bonds in accordance with the terms of any contract between the authority and its bondholders and for the payments on account of which interest or princi-

pal or retirement of bonds other moneys of the authority are not then available in accordance with the terms of any such contract. As herein used 'maximum debt service reserve' means, as of any date of computation, the largest amount of money required by the terms of all contracts between the authority and its bondholders to be raised in any succeeding calendar year for the payment of interest on and maturing principal of outstanding bonds and payments required by the terms of any such contracts to sinking funds established for the payment or redemption of such bonds, all calculated on the assumption that bonds will cease to be outstanding after date of such computation by reason of the payment of bonds at their respective maturities and the payments of such required moneys to sinking funds and the application thereof in accordance with the terms of all such contracts to the retirement of bonds.

(b) Moneys in said fund at any time in excess of the maximum debt service reserve, whether by reason of investment or otherwise, may be withdrawn at any time by the authority and transferred to any other fund or account of the authority.

(c) Moneys at any time in the reserve fund may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America.

(d) For purposes of valuation, investments in the reserve fund shall be valued at the lowest of the par value, cost to the authority or market value of such investments. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any moneys or investments in the reserve fund.

(e) Notwithstanding any other provisions contained in this act, no bonds shall be issued by the authority unless there is in the reserve fund the maximum debt service reserve for all bonds then issued and outstanding and the bonds about to be issued, provided, however, that nothing herein shall prevent or preclude the authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds about to be issued, upon their issuance, as is needed to

achieve the maximum debt service reserve. The authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the maximum debt service reserve, or to meet such higher or additional reserve as may be fixed by the authority with respect to such fund.

(f) In order to assure the maintenance of the maximum debt service reserve in the reserve fund, there shall be appropriated annually and paid to the authority for deposit in said fund, such sum, if any, as shall be certified by the chairman of the authority to the Governor as necessary to restore said fund to an amount equal to the maximum debt service reserve. The chairman shall annually, on or before December 1, make and deliver to the Governor his certificate stating the sums, if any, required to restore said fund to the amount aforesaid, and the sum or sums so certified shall be appropriated and paid to the authority during the then current State fiscal year.

(g) This reserve fund shall be kept separate from any other reserve fund established by the authority and shall not be subject to the provisions of Section 18A:72–17 of the New Jersey Statutes."

"24. If any clause, sentence, subdivision, paragraph, section or part of this act be adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part thereof directly involved in the controversy in which said judgment shall have been rendered."

On page 11, section 20, line 1, delete "20" and insert "25".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 24, 1969.

ASSEMBLY BILL No. 599

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 599, with my objections, for reconsideration.

This bill is intended as an amendment to Section 4 of Chapter 177 of the Laws of 1968 which I approved on July 19, 1968. On July 3, 1969 I approved Chapter 136 of the Laws of 1969 (Assembly Bill No. 1051) which, among other things, amended Section 4 of Chapter 177 of the Laws of 1968. In order to avoid the possibility that the amendments contained in this bill may be interpreted so as to imply a repeal of the amendments contained in Chapter 136 of the Laws of 1969, I recommend the following technical changes be made:

1. *Title:* Delete the present language and insert in lieu thereof the following:

> "An Act Amending 'An Act Concerning Education and Supplementing Title 18A of the New Jersey Statutes,' adopted July 19, 1968 (P. L. 1968, c. 177)."

2. *Page 1, Section 1, Lines 1 through 19:* Delete the present language and insert in lieu thereof the following:

> "1. Section 4 of the act of which this act is amendatory (C. 18A:58–33.5) is amended to read as follows:
>
> 4. If the determinations, approvals or consents provided for by this act shall have been made or given, such school districts shall be entitled to receive annually the amount of the additional state school building aid stipulated in the resolutions of the State Board of Education and the State Board of Education shall include such amounts in its annual budget for building aid for the school district. Amounts of such building aid paid under this section shall only be used for the payment of debt service (interest and principal) on bonds entitled to the

benefits of the provisions of this act, in accordance with said resolutions; provided, that the proposal was not approved prior to January 1, 1968 by either the voters or Board of School Estimate, as the case may be, and that no permanent bonds had been issued, and that the total amount of bonds entitled to the benefits of the provisions of this act in accordance with resolutions adopted by the State Board of Education pursuant to the provisions of this act, and for the payment of the debt (interest and principal) as to which bonds additional school building aid may be paid pursuant to this act, shall not exceed the sum of $90 million."

Respectfully,

[SEAL] RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 624

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 624, for reconsideration.

Assembly Bill No. 624 would allow a domestic life insurance company to purchase an unlimited amount of the voting stock of an investment company as defined by the Investment Company Act of 1940 (15 U. S. C. A. 80a–1 *et seq.*). Such investment companies are subject to the regulation of the Securities Exchange Commission. It also allows a domestic life insurance company to sell shares in such an investment company when the life insurance company is the investment manager or adviser of the investment company. Moreover, it modifies the language relating to the manner in which domestic life insurance companies may make investments, and revises the applicability of the statute to underwriting activities. Its purpose is to allow a domestic life insurance company to establish and sell

shares in a mutual fund. Numerous life insurance companies already advise and operate mutual funds.

I have no substantive objection to authorizing insurance companies to advise, operate and sell mutual funds. Through the device of variable annuity contracts, many New Jersey insurance companies have already undertaken programs which are scarcely distinguishable from the activities of mutual funds under the terms of the Investment Company Act of 1940. In fact, such funds have already been held in some cases to subject insurance companies to the regulation of the S. E. C. and the terms of the Investment Company Act of 1940, notwithstanding that the statute specifically excludes insurance companies, see *Prudential Insurance Company* v. *S. E. C.*, 326 F 2d 383 (C. A. N. J., 1964) *cert. den'd.*, 377 U. S. 953.

An unintended consequence of Assembly Bill No. 624, however, is the fact that it would apparently allow insurance companies to own or control corporations in areas unrelated to the insurance business through their ownership and control of an investment company. In fact, one of the reasons for the passage of the Investment Company Act of 1940 was that "such companies customarily invest and trade in securities issued by, and may *dominate and control* or otherwise affect the policies and management of, companies engaged in business in interstate commerce" (emphasis added) [15 U. S. C. A. 80a–1(3)]. While insurance companies may have subsidiaries in a broad and growing range of fields (P. L. 1967, c. 201, as amended by P. L. 1969, c. 86), their power to acquire subsidiaries of any kind remains subject to the approval of the Commissioner of Banking and Insurance [N. J. S. A. 17:24–29(h)]. Moreover, insurance companies have repeatedly testified that they wish no unlimited power to acquire or control a corporation in an unrelated area.

Nonetheless, as Assembly Bill No. 624 would amend N. J. S. A. 17:24–18, through an investment company, an insurance company could buy more than 8% (i.e., potentially a controlling interest, creating a type of "de facto" subsidiary) of the stock of any type of company without the approval of the Commissioner, thereby avoiding the limitations imposed by N. J. S. A. 17:24–29 on subsidiaries. Insurance companies are presently allowed to buy the stock of non-insurance related companies without the approval of the Commissioner only if they hold less than 8% of any

such class of stock, substantially less than a controlling interest. The policy limiting the nature of the enterprises which insurors could control remains sound today. It was not the intent of this bill to change it.

I, therefore, recommend the following changes in Assembly Bill No. 624, in order to preserve the sound separation of insurance from other lines of commerce.

1. *Page 1, Section 1, Line 5:* After the word "corporation" and before the word "an" delete "," and insert in lieu thereof ";".

2. *Page 1, Section 1, Lines 5 through 8:* After the word "corporation" and before the word "or" delete the phrase "an investment company within the meaning of the Investment Company Act of 1940 (15 U. S. C. A. 80a–1 *et seq.*) for which such life insurance company or its subsidiary is the investment manager or investment adviser,".

3. *Page 1, Section 1, Line 10:* After the word "property" and before the word "shall" delete ", nor" and insert in lieu thereof the following "; or an investment company within the meaning of the Investment Company Act of 1940 (15 U. S. C. A. 80a–1 *et seq.*) for which such life insurance company or its subsidiaries is the investment manager or investment adviser, provided that such investment company shall not own, control or hold in its portfolio any investment which, if added to the other investments of such life insurance company, would result in such life insurance company holding more than 8% of any class of stock which entitles the holder thereof to vote at all elections of directors or any one corporation; nor shall such life insurance company hold more than 8% of any such class of stock of any investment company pursuant to this section at any time when such life insurance company could not purchase such stock pursuant to the foregoing provisions of this section. Neither".

4. *Page 2, Section 1, Line 42:* After "pany" and before the word "entering" insert "[".

5. *Page 2, Section 1, Line 43:* After the word "property," and before the word "but" insert "[".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 705

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution I herewith return Assembly Bill No. 705, with my objections, for reconsideration.

Assembly Bill No. 705 would supplement the Disorderly Persons Act, Chapter 170 of Title 2A of the New Jersey Statutes, to prohibit certain disruptive acts in and around public schools and any college or university as disorderly persons offenses. Subsection 1(a) of the bill would make it a disorderly persons offense for any person to disrupt "... the orderly conduct of the activities, administration, or classes of any public school or any college or university. . . .". Subsection 1(b) of the bill would punish as a disorderly person anyone who, for the purpose of disrupting the orderly conduct of the activities, administration or classes of any public school or any college or university, "... threatens, assaults, or molests any student, employee, administrator, agent or any other person lawfully in a building of or on or about the grounds of, or in the immediate vicinity of such public school or such college or university . . . .". Subsection 1(c) of A-705 provides that any person who counsels, aids or abets the violation of either subsection 1(a) or subsection 1(b) shall be punished as a principal offender. Violators of the provisions of the bill would be subject to a fine not in excess of $500., or to imprisonment not in excess of 6 months, or both. While I have no quarrel with the apparent intent and meaning of the bill, I take this opportunity to note two objections—one a technical matter and the other one of substance.

With regard to the technical objection, the title of the bill contains a reference—probably inadvertent, but incorrect, nonetheless—to Chapter "17" of Title 2A of the New Jersey Statutes. Since Assembly Bill No. 705 is intended to describe two new disorderly persons offenses—most of which are compiled in Chapter *170* of Title 2A of the New Jersey Statutes—I have suggested below a necessary corrective amendment.

My substantive objection to Assembly Bill No. 705 centers upon the failure of the bill to specify only *willful* and *unlawful* conduct as violations of its provisions. Without such limitations, the dragnet of Assembly Bill No. 705 would sweep up both those persons whose conduct is inherently innocent as well as those whose conduct enjoys statutory or constitutional protection. For example, a disorderly persons prosecution under A-705 would lie against members of a teachers' union whose constitutionally protected picketing might "interfere" with the normal operations of a school. Since ". . . it is not within the competency of the lawgiver to render that criminal which in its very nature is innocent and essentially nonculpable . . . .", *State* v. *Labato,* 7 N. J. 137, 148 (1951), I have concluded that the over-broad sweep of A-705 was not wholly intended by the Legislature.

The amendments suggested below, by requiring that any proceeding under A-705 be bottomed upon proof of an *illegal* and *unlawful* disruption, will narrow the applicability of the measure. If accepted by the Legislature, these amendments may spare a well-intended measure from a declaration of constitutional invalidity. Accordingly, I herewith return Assembly Bill No. 705 for reconsideration and recommend that it be amended as follows:

Page 1, Title, Line 4: Delete "17" and insert "170".

Page 1, Section 1, Line 1: After "who" insert "willfully and unlawfully".

Page 1 Section 1, Line 6: After "person" insert "who".

Page 1, Section 1, Line 6: Before "disrupting" insert "unlawfully".

Page 1, Section 1, Line 9: Before "threatens" insert "willfully".

Page 1, Section 1, Line 13: After "university" insert ",".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 847

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 847, for reconsideration.

Assembly Bill No. 847 authorizes the board of chosen freeholders of any county or the governing body of any municipality to "raise, appropriate, expend and contribute" an amount not exceeding $10,000.00 in any one year to any local chapter of the National Council on Alcoholism.

The intent of the bill is one which I share completely. Alcoholism remains a persistent problem in New Jersey, as elsewhere. However, Assembly Bill No. 847 allows a contribution to privately chartered Council on Alcoholism chapters, which clearly violates N. J. Const., Art VIII, Sec. 3, par. 2 which states:

> No county, city, borough, town, township or village shall hereafter give any money or property, or loan its money or credit, to or in aid of any individual, association or corporation, or become security for, or be directly or indirectly the owner of, any stock or bonds of any association or corporation.

While public funds may clearly be appropriated to private agencies for a public purpose, there is a requirement of fair consideration. In other words, the public must receive some benefit in return for its contribution, see *Scott v. Town of Bloomfield*, 94 N. J. Super. 592 (Sup. Ct. 1967), aff'd 98 N. J. Super. 321 (App. Div. 1967), appeal dismissed 52 N. J. 473 (1968).

In addition, if public monies are to be expended through a private agency for a public purpose, there must be sufficient controls and supervision so as, in effect, to make the private agency an arm of government.

> "Obviously the funds of the State or a county or municipality could not be loaned to a private agency to be

used as the agency pleased. Clearly the Constitution would stand in the way. But when the loan is granted for an obvious public purpose and its use confined to the execution of that purpose through a reasonable measure of control by a public authority by means of contractual stipulation, statutory and administrative regulation, the private agency takes on the form of a special public agent . . .'' *Roe v. Kervick*, 42 N. J. 191, 222 (1964).

It is apparent that a gift neither provides adequate safeguards, nor meets the test of *Roe v. Kervick*.

However, adequate safeguards can be developed. In particular, there should be a clear statement of the public purpose to be served, a fair measure of the value of the services to be rendered to the public and the explicit designation of a person or agency responsible for the supervision, evaluation and control of any expenditures made pursuant to this act. Moreover, reports of any activities in this area should be filed with the New Jersey Department of Health.

I, therefore, recommend the following changes:

1. *Page 1, Section 1, Line 3:* Delete ''contribute'' and insert in lieu thereof the phrase ''contract to provide, for a public purpose,''.

2. *Page 1, Section 2, Line 1:* Delete ''This act shall take effect immediately.'' and insert in lieu thereof the following paragraph:

2. In the case of any appropriation made pursuant to this act for a public purpose, the resolution, in the case of a county, or the ordinance, in the case of a municipality, shall include a statement of (a) the public purpose to be served by the appropriation; (b) the names of the association or corporation who shall be the grantees; (c) the number of persons directly benefiting from the public purpose of the grant; (d) the public officer, employee or agency responsible for the general supervision and control of the performance of any contract, grant, or program undertaken pursuant to this act; (e) a requirement that the grantee annually submit a report on a before December 31 of each year to the supervising officer, employee or agency designated pursuant to this act, setting out the activi-

ties of the grantee undertaken in furtherance of the public purpose for which the appropriation was made; the approximate value or cost of such activities in furtherance of such purpose; and affirmation of the continued tax-exempt status, pursuant to both Federal and state law, of any non-profit corporation receiving appropriations under this act; and that a copy of such report be transmitted to the New Jersey Department of Health on or before December 31 of each year.

3. *Insert a new Section 3 as follows:*

3. This act shall take effect immediately.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

ASSEMBLY BILL NO 839

To the General Assembly:

In accordance with Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 839 for reconsideration with my objections.

This bill provides that the annual salary of each commissioner in cities of the fourth class, having a population of not less than 50,000, and having the commission form of government, may be fixed by ordinance at not less than $15,000 nor more than $22,000, and that of the mayor at $2,500 above that fixed for the other commissioners. It is the mandatory minimum salary required by this bill which is offensive and which makes it impossible for me to approve. The responsibility of changes in the salaries of the commissioners and mayors should be left entirely to the discretion of local authorities and should not be dictated by mandatory legislation.

Accordingly, I return Assembly Bill No. 839 for reconsideration and recommend that it be amended as follows:

In Section 1, Line 10: Delete "less than $15,000.00 or".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 24, 1969.

ASSEMBLY BILL No. 1035

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 1035, with my objections, for reconsideration.

Assembly Bill No. 1035 makes an appropriation for purposes of the State Lottery Planning Commission. It inadvertently makes this appropriation as a supplement to last year's appropriation bill. Since that bill has expired, it is necessary that Assembly Bill No. 1035 be correctly identified as a supplement to this year's appropriation bill, Senate Bill No. 700.

I, therefore, respectfully recommend the following changes:

Amend the title so that it shall read "A SUPPLEMENT to 'An Act making appropriations for the support of the State Government and for several public purposes for the fiscal year ending June 30, 1970, and regulating the disbursement thereof,' approved June 4, 1969 (P. L. 1969, c. 77)".

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

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STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 42

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (a) of the Constitution, I herewith return Senate Bill No. 42, without my approval.

N. J. S. 2A:157–5 presently limits counties of the third class in the number of county detectives it may have and their ranks. Presently, there may be no more than nine county detectives, of whom one shall be chief, one shall be captain, and one shall be a lieutenant. This leaves six "enlisted men".

Senate Bill No. 42 would allow counties of the third class with populations over 75,000, but less than 140,000, to have two lieutenants at a salary not exceeding $6,000. This would leave five county detectives under the orders of four officers.

The bill is clearly in violation of N. J. Const., Article IV, Section VII, paragraph 9 (13), which prohibits special legislation dealing with the internal affairs of counties and municipalities. In determining whether a law is a special law, what is excluded from a classification is as significant as what is included, *Budd v. Hancock,* 66 N. J. L. 133, 135-136 (Sup. Ct. 1901). The vice of special laws "is that they do not embrace all the class to which they are naturally related; they create preference and establish inequalities; they apply to persons, things or places possessed of certain qualities or situations, and exclude from their effect other persons, things or places which are not dissimilar in these respects". *Van Riper v. Parsons,* 40 N. J. L. 1, 9 (Sup. Ct. 1878).

Counties of the third class are those counties not bordering on the Atlantic Ocean having populations of not less than 50,000 nor more than 200,000 (N. J. S. A. 40:17–2). As the law regarding county detectives now stands, third class counties having populations under 75,000 (Hunterdon, Salem and Warren) may not have more than two county detectives, with no lieutenants (N. J. S. 2A:157–6). Under Senate Bill No. 42, third class counties with populations

between 75,000 and 140,000 (Gloucester and Cumberland) would have two lieutenants, whereas third class counties with populations between 140,000 and 200,000 (Somerset) would still be limited to one lieutenant. In second class counties with populations in excess of 400,000, counties would again be entitled to two lieutenants.

Since I can see no reason why a county of the third class having a population between 140,000 and 200,000 (Somerset) should be excluded from the scope of this legislation, I must consider it to be in violation of the constitutional provisions, *Smith v. Board of Chosen Freeholders of Monmouth,* 5 N. J. Misc. 153, *aff'd. per curiam,* 104 N. J. L. 185 (E & A 1927).

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 43

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Committee Substitute for Senate Bill No. 43, without my approval.

This bill would amend Section 18A:56–8 of the New Jersey Statutes and mandate the investment of monies belonging to the school fund by the Director of the Division of Investments up to $15 million in evidences of indebtedness guaranteed or insured pursuant to Chapter 72 of Title 18A of the New Jersey Statutes, the Higher Education Assistance Authority Act. The bill has as its broad object the encouragement of the making of student loans by various lenders by providing a secondary market for notes evidencing a student loan. The provision of a secondary market is desirable. Nevertheless, I am constrained to return this bill for two very compelling reasons.

In the first place, serious questions have been raised as to the constitutionality of the program contemplated by Senate

Bill No. 43. The school fund is established by the New Jersey Constitution. The uses to which monies belonging to the school fund can be put are governed by the provisions of Article VIII, Section IV, Paragraph 2 of the Constitution, as follows:

> "2. The fund for the support of free public schools, and all money, stock and other property, which may hereafter be appropriated for that purpose, or received into the treasury under the provisions of any law heretofore passed to augment the said fund, shall be securely invested, and remain a perpetual fund; and the income thereof, except so much as it may be judged expedient to apply to an increase of the capital, shall be annually appropriated to the support of free public schools, and for the equal benefit of all the people of the State; and it shall not be competent, except as hereinafter provided, for the Legislature to borrow, appropriate or use the said fund or any part thereof for any other purpose, under any pretense whatever. The bonds of any school district of this State, issued according to law, shall be proper and secure investments for the said fund and, in addition, said fund including the income therefrom and any other moneys duly appropriated to the support of free public schools may be used in such manner as the Legislature may provide by law to secure the payment of the principal of or interest on bonds or notes issued for school purposes by counties, municipalities or school districts or for the payment or purchase of any such bonds or notes or any claims for interest thereon."

Thus, two fundamental constitutional requirements must be met with regard to monies belonging to the school fund: (1) The fund itself must be "securely invested"; and (2) The income from that investment must be used to support the free public schools. The trustees who administer the school fund are the Governor and various Cabinet officials, NJS 18A:56–1, are the custodians of the fund and are free in this regard from normal legislative control. *American Dock and Improvement Company v. Trustees for Support of Public Schools*, 35 NJ Eq. 181 (1882). They have the ultimate responsibility for determining the security of investments to be made. Assuming, *arguendo*, that the investment of monies belonging to the school fund in these student loan notes rises to the constitutional standards mandated, there is a serious question concerning the Legislature's power to

abrogate or modify the trustees' judgment with regard to investments in view of the *American Dock* case.

Furthermore, the Constitution requires that the income, other than that used to increase the capital, be used for the support of the free public schools. NJ Const., Art. VIII, Sec. IV, Para. 2. This requirement has been strictly construed in our courts. *Trustees of Public Schools v. City of Trenton*, 30 NJ Eq. 667 (1879). Since a constitutional amendment was required in 1958 in order to allow the fund to be used to purchase school district bonds and other local bonds issued for school purposes, it is unlikely that the words "support of free public schools" could be flexible enough to include the purchase of student loan notes without a further constitutional amendment. In any event, the income of the fund is already being used up for the transportation aid for pupils. Senate Bill No. 43 does not deal with the income of the fund, but with the fund itself. In addition, there is some question as to the division between principal and income of the fund, and thus doubt as to the amount available for investment in the student loan notes. In my view, the trustees of the fund would have a constitutional and legal responsibility to challenge Senate Bill No. 43, and thus this bill would not provide the speedy relief sought by its sponsors.

Finally, Assembly Bill No. 598 (1969) which I approved on July 3rd of this year is now beginning to be implemented as Chapter 135 of the Laws of 1969. Chapter 135 provides the Higher Education Assistance Authority with the power to issue bonds and bond anticipation notes, the revenue from which is to be used to purchase student loan notes. This much needed and much sought secondary market for these notes has thus been provided. There are now before you a series of technical amendments to Chapter 135 of the Laws of 1969, which I urge you to adopt and thus speed the implementation of this worthwhile program. The full implementation of the revenue bond program contemplated by Chapter 135, with its amendments, must render Senate Bill No. 43 unnecessary.

Accordingly, I herewith return Senate Committee Substitute for Senate Bill No. 43, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 228

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 228 without my approval.

Senate Bill No. 228 is a supplement to Chapter 169 of the Laws of 1945 which as amended gives municipalities the authority to establish local commissions of Civil Rights. S-228 would permit any person appointed as executive director or deputy executive director of such a commission on civil rights to be appointed for a fixed term or at the discretion of the appointing authority.

Neither the position of executive director or deputy executive director of a municipal civil rights commission, at present, is governed by Civil Service regulation or examination. As such appointments could be responsive to critical situations, it is the opinion of the Civil Service Commission that if such positions exist, they should be unclassified. However, it should be noted that there is no authority under P. L. 1945, c. 169, as amended and supplemented, which authorizes governing bodies to appoint any staff to their local commissions, whether such staff be classified or unclassified. Therefore, any attempt to formalize by statute the status of directors or deputy executive directors of local commissions on civil rights must first remedy this omission.

I therefore, return S-228 without my approval.

Respectfully,

[SEAL] RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 303

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 (a) of the Constitution I herewith return Senate Bill No. 303, without my approval.

Senate Bill No. 303 would expand the membership of a local housing authority from six to seven members in the case of a municipality with a population of not less than 100,000 nor more than 110,000 inhabitants, according to the 1960 census. Elizabeth is the only city to which the bill applies. The additional member would be appointed by the mayor for a term of five years. Presently, five members are appointed by the governing body and one is a representative of the State.

The bill is special legislation in violation of Article IV, Section VII, Paragraph 9, Clause 13, which prohibits the enactment of special laws regulating the internal affairs of municipalities. While the classification of municipalities on the basis of population is constitutional, the classification must have some relation to the purposes of the law.

The purpose of local housing authorities is to construct and operate low-cost housing for persons of limited means, NJSA 55:14A–2. There is nothing peculiar to the nature of a municipality with a population between 100,000 and 110,000 which would make the addition of one new commissioner to the housing authority relevant to obtaining the purposes of the Local Housing Authorities Law. There are presently seventy-one county and municipal housing authorities operating throughout the State of New Jersey. All of them operate with six members. There would appear to be no reason for classifying the Local Housing Authority of Elizabeth differently from any others. In any case, if special legislation is necessary, the procedure exists under the terms of N. J. Const., Article IV, Section VII, Paragraph 10 for the enactment of private or special laws governing the internal affairs of the municipality, see *Van*

Riper v. Parsons, 40 N.J.L. 1 (Sup. Ct. 1878); *Wilson v. Mc Guinness,* 78 N. J. L. 346 (Ct. Err. & App. 1910); *Sarner v. Union Township,* 55 N. J. Super, 523 (1959).

In addition, the use for purposes of classification of a particular census, such as is done in this bill with the 1960 census, constitutes an illusory classification, unconstitutional under the same provisions of the State Constitution, *Carter v. Somerset County,* 17 N. J. Misc. 133, rev'd. on other grounds, 123 N.J.L. 407 (Ct. Err. & App. 1939), and *Dickinson v. Freeholders of Hudson County,* 71 N.J.L. 589 (1904).

For these reasons, I must return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 308

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 308, without my approval.

Senate Bill No. 308 would mandatorily increase the term of a mayor elected in a borough from two to four years. It would also repeal the provisions presently in the law allowing a borough to adopt this option on its own initiative by referendum. The increase in the term of office would take effect immediately and would have included mayors elected this November.

The borough form of government, however, is not based on a strong executive, but rather reflects the decision of the community to govern its affairs through a council in which

the mayor is little more than first among equals. 226 municipalities in New Jersey have chosen this form of government. While no data is available from the Division of Local Finance, the League of Municipalities or the New Jersey Taxpayers Association on how many of these municipalities have elected to provide a four-year term for their mayor under the terms of P. L. 1952, c. 148, it is consistent with New Jersey's philosophy of local government that the option should be exercised by the voters of each municipality wherever possible. In effect, this bill would deny the residents of New Jersey's 226 boroughs that option and impose upon them the decision of this Legislature that a four-year term for a mayor is preferable.

The New Jersey Commission on Municipal Government, which wrote the Faulkner Act itself, had strong opinions about the defects of "weak-mayor" forms of government, to which the borough's governmental structure may be most closely analogized. It stated:

> The Commission has . . . dropped the weak-mayor council plan from its optional charter forms. The characteristics of this plan—the 'long ballot' of recommended administrative officers, and the futile position that the mayor must occupy as the responsible head of the municipality—has long been outmoded in municipal thinking and is highly inadequate to modern municipal requirements. N. J. Commission on Municipal Government, *Local Self-Government in New Jersey: A Proposed Optional Charter Plan,* 21 (February, 1949).

Nonetheless, in its *Second Report,* after further consideration, it recognized the need for providing even those options which it had recommended not be adopted. They are now included among the small municipality plans provided by the Faulkner Act. In doing so, it accepted these changes as part of its original intent of permitting "complete freedom of choice for all municipalities". This is the pattern which this bill seeks to change.

I cannot join in such an action. If, in fact, what is needed is a strong mayor in these municipalities, then they may select one of the other options available under the Faulkner Act. If that provides more than they need, then they can elect, under the provisions of P. L. 1952, c. 148, which would be repealed by this act, to lengthen the term their mayor serves. Perhaps we should also create another option ex-

tending the term of the mayor to three years so that it would be equal to the term served by councilmen. In any case, while I am Governor, whenever possible such options shall be left in the hands of the people. Accordingly, I return this measure to the Senate without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969

SENATE BILL No. 309

To the Senate :

I herewith return Senate Bill No. 309, without my approval, for the following reasons:

Senate Bill No. 309 would amend "The New Jersey Highway Authority Act" to require the issuance by the New Jersey Highway Authority of books of toll tickets to be sold to users of the Garden State Parkway. Valid for one year from the date of purchase, the books of toll tickets would be issued at discounts of from 20% to 50% of the established toll charges. I have decided to return Senate Bill No. 309, without my approval, because of my previously expressed reservations as to the legality and constitutionality of the bill.

The New Jersey Highway Authority was created by Chapter 16 of the Laws of 1952 as an autonomous public corporation, with the duty of building and operating the Garden State Parkway and its related facilities. The organic act of the Authority empowered it to issue its bonds or notes for any of its corporate purposes and to provide for the rights of the holders of any bonds or notes issued by it. Additional power was granted to the Authority to fix, charge and collect tolls for the use of the Parkway, and to pledge part or all of the toll revenues as security for the payment of the principal and interest of bonds and notes issued by it.

In order to assure purchasers of the bonds and notes issued by the Authority that the State would not impair the power of the Authority to fix, charge and collect tolls, Section 11 of Chapter 16 of the Laws of 1952 (N. J. S. A. 27:12B–11) contains the following pledge:

> "The State of New Jersey does pledge to and agree with the holders of the bonds or notes issued pursuant to authority contained in this act, that *the State will not limit or restrict the rights hereby vested in the Authority* to maintain, acquire, construct, reconstruct and operate any project as defined in this act or *to establish and collect such tolls or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof* and to fulfill the terms of any agreements made with the holders of bonds or notes authorized by this act or in any way impair the rights or remedies of the holders of such bonds or notes until the bonds and notes, together with interest thereon, are fully paid and discharged. L. 1952, c. 16, p. 82, § 11." (Emphasis added)

This pledge of the State is a representation which any holder of the bonds or notes of the Authority—issued under either the first General Bond Resolution or any subsequent Bond Resolution—can consider as having been extended to him for his protection.

It surely takes no great knowledge of law to realize that the provisions of Senate Bill No. 309 violate both the letter and spirit of the pledge made by the State of New Jersey in 1952. The Authority has determined that its present toll structure—which makes no provision for the sale at discount of books of toll tickets—is, in the language of the statutory pledge, ". . . *necessary* to produce sufficient revenues to meet the expenses of maintenance and operation . . ." of the Garden State Parkway. Notwithstanding this determination, however, the Legislature would order the Authority to offer discounts of up to 50% from its present toll structure. Since this mandate of the Legislature—contrary to the pledge contained in Section 11 of Chapter 16 of the Laws of 1952—patently limits and restricts the power of the Authority to charge and collect tolls sufficient to pay its bonded indebtedness, I must withhold my approval of Senate Bill No. 309.

Moreover, contemplation of some of the possible consequences of my approval of S-309 (1969) makes all the more

resolute my determination not to renege on the pledge made by the State in 1952. It should be remembered that the people of the State of New Jersey, by referendum, authorized a pledge of the credit of the State to guarantee the payment of bonds issued by the Authority. Were I to approve S-309, and should the resulting discounted toll structure cause a net loss of toll revenues, the Authority might well default in the payment of the principal of and interest on outstanding bonds. In the event of any such default, the trustee of the various bond issues of the Authority, as well as the holders of the bonds and notes issued by the Authority, would exercise their legal right to call upon the State to meet the principal and interest payments upon bonds guaranteed by the State. The State could meet its obligation in such an instance only by the appropriation and expenditure of millions of dollars from its operating budget.

The comments made herein were foreshadowed by similar statements made one year ago concerning Senate Bill No. 185 (1968) and Assembly Bill No. 400 (1968). Those bills granted a right of free passage over all toll facilities in New Jersey to members of the New Jersey National Guard and the Reserve Components of the Armed Forces, respectively. The Legislature chose to ignore my comments on those two bills, and enacted them over my veto as Chapters 352 and 414 of the Laws of 1968. The Authority has already initiated litigation challenging the legality of Chapters 352 and 414 of the Laws of 1968. (*N. J. Hwy. Auth. v. Sills*, Super. Ct., Ch. Div., Essex Co., Doc. No. C-1284-68). Since that litigation will be dispositive of the issues presented by Senate Bill No. 309, I am further constrained to withhold my approval from S-309 in the face of that litigation.

For these reasons, then, I return herewith, without my approval, Senate Bill No. 309.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 311

To the Senate:

I herewith return Senate Bill No. 311, without my approval, for the following reasons:

Senate Bill No. 311 would amend the law which created the New Jersey Expressway Authority to limit the types of projects which might be undertaken lawfully by the Expressway Authority.

In creating the Expressway Authority, the State made the following statutory pledge to the holders of any bonds issued by the Authority:

> "The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to authority of this act that the State *will not limit or alter the rights or powers hereby vested in the authority to acquire, construct, maintain, improve, repair and operate any project,* or to perform and fulfill the terms of any agreement made with the holders of such bonds or notes, or to fix, establish, charge and collect such tolls or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the authority and fulfill the terms of any agreement made with the holders of such bonds or notes, and that the State will not in any way impair the rights or remedies of such holders or modify in any way the exemptions from taxation provided for in this act, until such bonds and notes, together with interest thereon, with interest or any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged or provided for. L. 1962, c. 10, § 41." (Emphasis Added)

Since there are outstanding bonds (the principal thereof and interest thereon not yet fully paid and discharged), the limitation of authorized projects sought to be imposed by

Senate Bill No. 311 would appear to violate the specific covenant of the State with the Expressway Authority's bondholders, and may possibly be open to question as an unconstitutional impairment of the obligation of contracts.

Furthermore, the inflexible restriction contained in S-311 (1969) would be unnecessary if the Governor were accorded the power to veto actions of the Expressway Authority. I invite the Legislature to consider this alternative proposal, for there can be no doubts as to its legality or constitutionality.

For these reasons I am returning herewith Senate Bill No. 311.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL NO 312

To the Senate:

I herewith return Senate Bill No. 312, without my approval, for the following reasons:

Senate Bill No. 312 would amend the law which created the New Jersey Turnpike Authority to limit the types of projects which might be undertaken lawfully by the Turnpike Authority.

In creating the Turnpike Authority, the State made the following statutory pledge to the holders of any bonds issued by the Authority:

> "The State of New Jersey does pledge to and agree with the holders of the bonds issued pursuant to authority contained in this act, that the State *will not limit or restrict the rights hereby vested in the Au-*

thority to maintain, construct, reconstruct, and operate any project as defined in this act, or to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of bonds authorized by this act or in any way impair the rights or remedies of the holders of such bonds until, the bonds, together with interest thereon, are fully paid and discharged. L. 1948, c. 454, p. 1864, § 7, as amended L. 1950, c. 1, p. 20, § 6.'' (Emphasis Added)

Since there are outstanding bonds (the principal thereof and interest thereon not yet fully paid and discharged), the limitation of authorized projects sought to be imposed by Senate Bill No. 312 would violate clearly the specific covenant of the State with the Turnpike Authority's bondholders, and may possibly be open to question as an unconstitutional impairment of the obligation of contracts.

For these reasons I am returning herewith Senate Bill No. 312.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 356

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 356 without my approval.

Section 39:4–50 of the Revised Statutes, concerns penalties for those persons who operate a motor vehicle while under the influence of intoxicating liquor or a narcotic or

habit-producing drug. Senate Bill No. 356 would amend Section 39:4–50 by specifying marijuana as a narcotic within the meaning of the Act.

Although I would be strongly supportive of any legislation which would discourage the use of drugs or beverages which impair the ability to operate a motor vehicle safely, I cannot lend such support to Senate Bill No. 356. Unlike the balloon or drunkometer tests which can establish that an individual is in fact driving under the influence of alcohol, there is at present no reliable test for determining that anyone was operating a motor vehicle under the influence of marijuana. Even urinanalysis, which can identify a hard narcotic in the system, cannot so establish the presence of marijuana.

The penalties which Title 39:4–50 imposes upon anyone who is found to have been under the influence of the prohibited items are intentionally severe so as to be a significant deterrent to their use. In addition to the possibility of fine and imprisonment, no one found guilty under this statute is permitted to operate a motor vehicle within this state for a period of two years from the date of his conviction or until he reaches the age of twenty-one years, whichever is the greater period of time. If the rules of evidence and proof are properly applied under this statute, it would prove ineffective in terms of discouraging the use of marijuana, as few if any convictions would be possible. On the other hand, the lack of responsible or accurate tests for detection could lead to convictions which are unfounded in fact. Either result can only create contempt for our laws rather than encourage adherence to them.

Until such time as tests are developed which will permit law enforcement officers to establish that a vehicle has been driven while under the influence of marijuana, this legislation is premature and in its implementation can only be ineffective or abused. I am therefore, returning this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 364

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 364, without my approval.

Senate Bill No. 364 would authorize a municipality to treat preliminary engineering studies for the construction of a sanitary sewer system as the subject of a special emergency appropriation and allow financing through five-year emergency notes rather than current operating expenses.

Earlier this year, I signed Senate Bill No. 225, which became P. L. 1969, c. 38, which would authorize the same type of appropriation. Senate Bill No. 364 is therefore rendered superfluous. Accordingly, I return Senate Bill No. 364 to the Senate without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 391

To the Senate:

Senate Bill No. 391 would confer on public employees retired by reason of disability the right to collect workmen's compensation payments for the same disability although no retirants shall be entitled to compensation for temporary disability.

An employee who is retired on disability is presently barred from the receipt of workmen's compensation benefits primarily because he is no longer in the status of an employee. S-391 would remove this bar.

It has been argued that the enactment of S-391 would result in unjustified double benefits for certain retired public employees. Whether or not permitting both payments is unjustified depends largely on one's philosophy of workmen's compensation, i.e. whether it is one unit of an over-all system of wage loss protection or rather as compensation resembling a recovery in tort. Presumably if the former characterization of workmen's compensation prevails, the existence of retirement disability benefits, assuming their adequacy, supports the present bar to duplication of payments.

Even if one concludes, as I do, that any public employee who is injured seriously while performing his duties should be entitled to compensation for such injuries in addition to his retirement allowances, the projected costs which enactment of this measure would impose on state and local governments are prohibitive.

Of the 800 public employees retired each year for disability, it is estimated that at least one-half of these retirants would also be eligible for workmen's compensation benefits. In determining any cost estimate of S-391, the assumption must be made that all four hundred eligible retirants who are permanently and totally disabled would seek compensation benefits upon removal of the bar. Presently, the maximum of compensation awards for permanently and totally disabled employees is $86.00 per week for a period of 450 weeks, assuming no extension. Thus, the annual cost, considering one year's retirants alone, could be as high as 1.8 million dollars. It must be remembered that such costs would be cumulative as the $86.00 per week is granted for 450 weeks and in those cases where the disability is truly permanent, continues for life. Complicating and increasing any cost estimate is the provision of S-391 which would permit "any former employee" to seek compensation. Thus, in addition to 1970's retirants, it could be argued that the statutory limitation on the filing of claims within 2 years from the date of accident does not apply in this instance. At the very least, those individuals retired during the past two years would now be eligible to seek payments previously denied them.

At a time when municipal governments are already desperate for revenues I cannot impose upon them a system which, even if the maximum cost projection is not reached, will nonetheless, necessitate unexpected and crippling expenditures.

Nor can I burden the incoming state officials with new and significant demands on their already critically underfinanced administration, despite the appealing nature of this bill.

I, therefore, must return Senate Bill No. 391 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 431

To the Senate:

I am returning Senate Bill No. 431 without my approval for the following reasons:

Senate Bill No. 431 would amend Section 2A:31–6 of the New Jersey Statutes which establishes procedures for the commencement of a wrongful death action by an administrator ad prosequendum.

Under present law, no payment in settlement or satisfaction of judgment in an action brought by an administrator ad prosequendum can be made to him but must be made to the duly appointed administrator of the decedent's estate. Senate Bill No. 431 would permit payment in such actions to also be made to "the executor named in the will of the decedent and qualifying thereunder or the administrator with the will annexed".

In considering the wisdom or need for Senate Bill No. 431, it must be remembered that under N. J. S. A. 2A:30–2, a wrongful death action is commenced by an administrator

ad prosequendum *only* where the decedent dies intestate and there is no executor named in a will or an administrator with the will annexed. In those cases where such parties have been identified and do exist, it is their responsibility to institute the wrongful death action and N. J. S. A. 2A:31–6 is not operative.

Although it is possible to conceive of instances where the will is probated and either the executor or an administrator with the will affixed is identified subsequent to the initiation of an action by an administrator ad prosequendum, substitution of such individuals for the administrator ad prosequendum as party in the action would effect payment to them rather than to a general administrator.

As the only intent which can be read into Senate Bill No. 431 can be achieved by an acceptable existing court process, the amendment to 2A:31–6 which will inevitably lead to confusion and misinterpretation should not be enacted.

I therefore return Senate Bill No. 431 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 480

To the Senate:

I am herewith returning Senate Bill No. 480 without my approval for the following reasons:

Senate 480 would permit the parents of a mentally deficient or mentally retarded individual who is over twenty-one and receiving residential functional services to move in Superior Court for a judgment designating them as the legal guardians of the individual's person. The bill is spe-

cifically not intended to affect the determination of a guardian of the individual's estate.

Senate 480 was introduced to alleviate a situation created in part by enactment of P. L. 1965, c. 59, § 88. Under this provision, if the Commissioner of Institutions & Agencies determines that an individual receiving residential functional services is incapable of managing himself and his affairs upon attaining his majority, the Division of Mental Retardation is to perform guardianship services for the mentally deficient adult, should the parents not choose to seek appointment. Senate 480 is urged on the basis that even in the most obvious cases of incompetency, the parents of an apparently incompetent adult find existing court procedures for appointment as guardian a costly and complex process. Senate 480 is intended to simplify the present process for individuals over 21, mentally deficient or mentally retarded, and in need of continued functional services.

I accept Senate 480's premise that the relatively difficult and elaborate procedures set forth by the Court to protect adult individuals from ill-motivated or unsubstantiated allegations of incompetency are less relevant where the individual has been institutionalized and the guardianship would extend only to the person, not the estate. It is also accepted as desirable that guardianship by private parties be encouraged and the Division's substitution made necessary in only a limited number of cases. However, relatively minor adjustments in the applicable Rules of Court to conform to those cases created by the institutionalized minor attaining his majority would appear to be a preferable alternative to enactment of Senate 480.

Consistent with the N. J. Constitutional provision, Article I, Par. 9, which permitted the Legislature to statutorily provide for the determination of incompetency without a jury, P. L. 1948, c. 388, provides that ". . . the issue of mental incompetency may be had without a jury pursuant to rules of the Supreme Court . . .". The current Supreme Court Rules responsive to this responsibility are Rules 4:83–1 through 4:83–8. Although S–480 is proposed to relieve the need for patients and Divisional staff to appear in court, Rule 4:8–36 already provides that "if the alleged incompetent has been continuously confined in a public institution because of chronic mental retardation for a period of not less than two years prior to the commencement of the action, the courts may determine the issue of competency

on the affidavits prescribed by R.4:83–2(b)", (one from a reputable physician, and one from the institution's chief executive officer or medical director).

If it becomes clear that the Court is unwilling to close whatever gap exists between implementation of the present rules and the legitimate concerns of the Division of Mental Retardation, legislation similar to Senate 480 can be entertained by the Legislature.

As a legislative alternative to a modification in the Rules, Senate 480 is deficient and would confuse rather than expedite current practices:

1) Both by statute and by Rule, county courts as well as the Superior Court may now entertain actions for incompetency and appointment. S–480 would eliminate the county court as a possible Forum.

2) A significant deficiency is S–480's lack of any definition of the nature of the mental condition which is to be affected by the new procedure. Though "mentally retarded", "mentally deficient", and "mentally ill" have been defined institutional terms since 1965 (P. L. 1965, c. 59), these terms are used interchangeably and misused in view of the act's intent in both the title and the body of the bill.

3) To be acceptable as a deviation from the more stringent court review, the class of individuals should be limited to those receiving residential functional services from the Department of Institutions & Agencies.

4) In addition, although the earlier statute which dealt with institutional guardianship services attempted to alert any parent or guardian of the minor to the need for a court appointment, Senate 480 would seem to allow only both parents of a mentally deficient individual to utilize the new procedure.

5) The introduction of the county surrogate as a necessary party to all actions created by Senate 480 is firmly resisted as inappropriate by the Administrative Office of the Courts.

In sum, major revisions of S–480 would be required in order to better represent the intent of the drafters and conform to acceptable court procedures. On balance, seeking

modifications in the relevant Rules of Court remains a more expeditious means of achieving the desired result.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 486

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 486, without my approval.

Senate Bill No. 486 provides that of the $50.00 paid to the Clerk of the Superior Court upon the filing or entering of the first paper in any action or proceeding in the Law Division thereof, $15.00 should be paid over by him to the County Clerk of the county in which venue is laid for the use of the county. Under existing law, these moneys are to be paid over to the County Treasurer.

In April of 1969 the County and Municipal Government Study Commission issued its second report in which it recommended the centralization of county government under the control of elected officials who have the legal power, the fiscal resources, and structural flexibility, and the administrative staff to meet the challenges facing local government today. I fully subscribe to this conclusion of the distinguished Musto Commission. And because this legislation works against the principle of fiscal and budgetary centralization, I cannot approve.

Accordingly, I herewith return Senate Bill No. 486, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

SENATE BILL No. 495

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return **Senate Bill No. 495,** without my approval.

Senate Bill No. 495 would allow the governing body of a municipality to convey any land owned by the municipality to a non-profit hospital association for nominal consideration for use by the non-profit hospital association for the construction of hospital buildings and related facilities. It also provides that in the event the land shall cease to be used for the purposes for which it was conveyed, title shall revert back to the municipality, but not after five years. In other words, if the lands were to be used for purposes other than the operation and maintenance of a hospital after the first five years, title to the land would remain with the hospital, despite any breach of the conditions upon which the land was conveyed.

Although the bill is well intentioned, its purpose is presently served by an existing provision of the New Jersey statutes, P. L. 1957, c. 148 (C. 40:60–51.6). The main differences between Senate Bill No. 495 and the present law are that under the terms of Senate Bill No. 495: (a) consideration paid for the land could be nominal; (b) the hospital need not be a "general hospital"; (c) no specific authority to impose conditions upon the use of the land is granted; and (d) no reversion of the land, if used for purposes other than those for which it was conveyed, would occur after the first five years.

I have no objection to the first two of these changes, although I note in passing, that it would be more appropriate to amend P. L. 1957, c. 148 than to enact an entirely new law. I note also that the approach I have suggested in my conditional veto of Senate Bill No. 283 is more preferable still. I do object strenuously, however, to the omission of the right of the municipality to impose conditions on the use of the land and the removal of the sanction that failure

to use the land as originally intended would cause the title to revert to the municipality. When public lands are conveyed to private parties—even non-profit charitable institutions—the public should be sure that it is receiving the benefits to which it is entitled in exchange for the land conveyed. Such transactions are already an inefficient and antiquated way of subsidizing the public's health needs, compared, for instance, to direct subsidies with appropriate controls and evaluations of effectiveness, as I suggested on signing Assembly Bill No. 20 into law. Removal of the conditions imposed by municipalities would make this form of subsidy even more questionable. See *Roe* v. *Kervick*, 42 NJ 193 (1964).

Therefore, I must return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 496

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 496, without my approval.

Senate Bill No. 496 deals with the taxes payable by certain insurance companies pursuant to P. L. 1950, c. 101. In order to fully understand its effect, a little legislative history is necessary. In 1945, the State of New Jersey imposed a tax on insurance companies of 2% of the taxable premiums received by the company (P. L. 1945, c. 132). Then in 1950, the State of New Jersey, in effect, embarked on a form of State aid by tax credit. A franchise tax was imposed by P. L. 1950, c. 101 on New Jersey-based insurance companies, with two separate tax rates. In the case of com-

panies with capital and surplus of less than $15,000,000 the rate was set at 1.75% of taxable premiums. If the company had capital and surplus in excess of $15,000,000 then, it would pay a tax of 1.75% of taxable premiums, plus $200,000. The entire proceeds of the franchise tax are payable to the county and municipality in which the insurance company is located.

The insurance companies with under $15,000,000 in capital and surplus at no point would pay more than 2% of taxable premiums in combined State and "local" franchise taxes, because the amount paid under the franchise tax established by P. L. 1950, c. 101, was deducted from the amount the company had to pay to the State for State taxes under P. L. 1945, c. 132. Those over the $15,000,000 mark received the same deduction for the 1.75% of premiums, but not for the $200,000. Only companies with capital and surplus over $15,000,000 therefore paid a combined State and "local" tax under the 1945 and 1950 laws of 2% of taxable premiums plus $200,000.

In effect then, the State rate became the difference between the local franchise tax paid and the 2% of premiums. Thus, in the case of insurance companies located in New Jersey, the State received the difference between the 2% State rate and the 1.75% franchise rate, i.e., 0.25% of taxable premiums. By foregoing this revenue the State in effect provided a subsidy by tax credit to local government. Thus, in 1968, the State tax on domestic insurers, yielded only $725,000.

P. L. 1950, c. 101, however, provided considerably more revenue for local government. In 1968, $4,500,000 were derived from insurance companies for local government. This was divided with 87.5% to the municipality and 12.5% to the county in which the insurance company is located. This included the extra $200,000 paid by any company with capital and surplus over $15,000,000. In practice, this applied only to two insurance companies, located in Newark. Their capital and surplus has now grown to be in excess of $25,000,000. Therefore, increasing the cut-off line from $15,000,000 to $25,000,000 will allow Newark to continue receiving the payments it presently received from these two companies. However, raising the $15,000,000 limit also precludes other counties and municipalities which might

have insurance companies approaching $15,000,000 in capital and surplus from receiving the $200,000 flat payment required of the top bracket companies. This would appear to be contrary to the original intent of the legislation, and the need to provide new revenue to our municipalities.

It represents a cut in the revenues which will be available to local government at a time when all of us are concerned about providing additional monies to meet the urban crisis. In particular, the bill is applicable to two companies which are approaching the $15,000,000 capital and surplus bracket. They are expected to exceed $15,000,000 in capital and surplus during calendar 1970. In that event, they will be required to pay the $200,000 in question to the county and municipality in which they are located, in this case, $175,000 annually to the cities of East Orange and Verona, and $50,000 annually to the county of Essex.

In addition, due to a lag between the allowance of the deduction and payment of the State tax, the State will lose $100,000 during the first year only.

I have considerable sympathy for this measure. It is clear to me that the original intent of the surtax imposed by P. L. 1950, c. 101 was to benefit Newark. It is now apparent that other companies will be affected by the impact of Senate Bill No. 496, companies which are not necessarily as easily able to bear the burden of increased taxation as the larger companies based in Newark are. The basis for computing the tax is a questionable one, since it bears no relation to income or profits. The distribution of the proceeds is not necessarily correlated to the areas of greatest need.

Nonetheless, I feel constrained to veto Senate Bill No. 496 because it provides that additional margin of revenue which many of our units of local government require. Had the Legislature enacted the bank stock tax proposals I made earlier this year, or developed some other form of urban aid, I would have been more easily able to accept the terms of Senate Bill No. 496. As the matter now stands, however, I am forced to choose between denying some measure of fiscal relief to two of our municipalities, or denying that margin of growth which will allow companies subject to this tax to employ more persons and participate more fully in the betterment of their community. It is not a choice I relish, but, on balance, I must favor providing added assistance to the harried local homeowner.

I must therefore return Senate Bill No. 496 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

SENATE BILL No. 606

To the Senate:

I herewith return Senate Bill No. 606, without my approval, for the following reasons:

This bill would amend Section 32:9–1 of the Revised Statutes to require that gubernatorial nominations to the membership of the Delaware River Joint Toll Bridge Commission shall be subject to the advice and consent of the Senate.

I have set out at length in my veto message accompanying Assembly Bill No. 476 (1969) my concern that the power of the Senate to "advise and consent" has been subject to much abuse. There is as much latitude for further abuse of the power to "advise and consent" in the appointment of members of the Delaware River Joint Toll Bridge Commission as there is in the appointment of judges of compensation. Indeed, my recognition of the potential for further abuse led me to return Senate Bill No. 248 (1964) which also would have required Senate confirmation of members of the Delaware River Joint Toll Bridge Commission to the Legislature without my approval.

In view of my comments concerning S-248 (1964), and my more recent remarks concerning A-476 (1969), I am returning Senate Bill No. 606 to the Legislature without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

SENATE BILL NO. 607

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 607, without my approval.

Pursuant to the provisions of P. L. 1948, c. 199, specifying the manner in which a special law shall be enacted, Senate Bill No. 607 has passed both Houses of the Legislature. It authorizes the Town of Hackettstown to make permanent the appointments of three named individuals, Frederick Ainsworth, Edward Wisniewski and Lester Snyder to the police department of the town, despite the fact that they exceed the maximum age limit or are under the minimum height required of police officers. In addition, it entitles them to benefits under the Police and Firemen's Retirement System.

Article IV, Section VII, Paragraph 9 of the N.J. Constitution states:

> The Legislature shall not pass any private, special or local laws . . . (5) Creating, increasing, or decreasing the emoluments, term or tenure rights of any public officers or employees.

Senate Bill No. 607 is a special law "creating, increasing, or decreasing the emoluments, term or tenure rights" of three named public employees. It therefore violates the provision of N.J. Const., Article IV, Section VII, Paragraph 9, Clause 5, and I must return it without my approval. *Gibbs v. Morgan*, 39 N.J. Eq. 126 (1884).

The same is true of Assembly Bill No. 845, which I am also returning today without my approval. I return these bills with a great amount of reluctance, but feel constrained by the language of the Constitution. I have every certainty that the individuals involved are worthy men deserving of the special consideration they are receiving. Whenever I have been able to find any reasonable basis for aiding such

men and municipalities in the past, I have done so. But the case here is too patent to ignore. The line must eventually be drawn in favor of a better solution.

The constant need to enact bills relating to age or height requirements in this area would appear to indicate a need for a revision of the general law which regulates these matters. I have, in fact, at other times urged legislation lowering the height requirements for police, for instance. We should look at age as well. Both of these factors may not be relevant to certain limited functions of police officers, such as duty at a station house or traffic control. Fairness to them requires standards of eligibility relevant to their duties. Fairness to the municipality, on the other hand, requires access to an ample labor supply. I have, therefore, sought to allow nationwide recruitment so that municipalities such as those which seek to employ these policemen on a permanent basis could have a broader pool of manpower from which to draw.

These are far better means of dealing with this problem, and I sincerely urge the Legislature to consider them, rather than to constantly present the Chief Executive of this State with the difficult task of deciding between a desirable objective and unconstitutional means.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 619

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 619, without my approval, for the following reasons:

This bill was introduced to amend a provision of an act providing greater protection for the victims of uninsured

motorists, which I approved January 2, 1969 as Chapter 385, of the Laws of 1968, and which had an effective date of 90 days after its enactment. This bill provides that the offer of coverage required pursuant to Section 2 of Chapter 385 of the Laws of 1968, would be permissive until July 1, 1969, and mandatory thereafter.

In my view, the provisions of Section 2 should have been mandatory on the effective date of the act, and in addition since the date contemplated by this bill has already passed, I am returning it without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL No. 732

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 732, without my approval.

Senate Bill No. 732 authorizes boroughs having a population of not less than 2,500 persons and not more than 7,500 persons located in counties of the sixth class (Cape May), and which have adopted the commission form of government, pursuant to Chapters 70 to 76 of Title 40 to pay a salary not in excess of $3,000 per annum to the mayor and not exceeding $2,500 to each commissioner.

Generally speaking, salaries under the commission form of government are regulated by the terms of R. S. 40:72–21. That section contains a classification of municipalities which have adopted the commission form of government by population, although it excludes fourth-class cities. With the exception of this exclusion, the classification is rational, in that it is based on identical duties which must be per-

formed by mayors and commissioners under the commission form of government, varied by population, which is an accepted index of increased responsibility.

Classification by the county in which the city is located, however, would appear to bear no relationship to the performance of the duties of these public servants. Moreover, it is not clear why boroughs with less than 2,500 persons or more than 7,500 persons should not also be excepted from the applicability of NJSA 40:72–21 if the borough form of government imposed some unusual burdens. These considerations lead me to believe that Senate Bill No. 732 is in violation of N.J. Const., Art. IV, Sec. VII, Par. 9(5), which prohibits the enactment of any special or local laws creating, increasing or decreasing the emoluments of any public officers or employees, *Gibbs* v. *Morgan*, 39 N.J. Eq. 126 (1884); *Goldberg* v. *Dorland*, 56 N.J.L. 364 (Sup. Ct. 1894).

I am therefore constrained to return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

SENATE BILL NO. 733

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Senate Bill No. 733, without my approval.

Senate Bill No. 733 authorizes cities of the fourth class governed by the commission form of government to pay a mayor's annual salary not in excess of $6,000, and a commissioner's salary not in excess of $5,000 if such a city has a population between 2,500 and 7,500 persons. In the case

of cities of the fourth class having a population between 7,500 and 10,000, the maximum salary payable to the mayor is $8,000 per annum, and to each commissioner, $7,000.

Senate Bill No. 733 adds to an already complex maze of classification a new category of cities of the fourth class with a population between 7,500 and 10,000. Generally speaking, the salaries of the elected officials of municipalities under the commission form of government are regulated by the terms of NJSA 40:72–21, which classifies such municipalities by population. However, cities of the fourth class are excluded from the terms of NJSA 40:72–21 and separately dealt with by the terms of NJSA 40:72–22. Even this separate classification apparently has not been sufficient to deal with the specialized problems of cities of the fourth class under the commission form of government, and separate classifications have been created by the act to be amended by Senate Bill No. 733 and for such cities with populations of more than 50,000 inhabitants (NJSA 40:72–24.1a).

It is apparent that there is a point where classification becomes so specialized and minute that it can serve no reasonable purpose other than to enact special legislation under the guise of general legislation. Art. IV, Sec. VII, Par. 9(5) of the N.J. Constitution provides that the Legislature shall enact no special or local laws "increasing or decreasing the emoluments" of any public officer or employee. Senate Bill No. 733 seeks to do by indirection what cannot be done directly, *Sarner* v. *Union Township*, 55 N.J. Super. 523 (1959); *Koons* v. *Board of Commissioners of Atlantic City*, 134 N.J.L. 329 (Sup. Ct. 1946), *aff'd. per curium* 135 N.J.L. 204 (E & A 1947).

I am therefore constrained to return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 8

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 8, without my approval.

Assembly Bill No. 8 would add a representative of the New Jersey State Lodge, Fraternal Order of Police, to membership on the Police Training Commission. The Police Training Commission was established with wide ranging responsibilities in the areas of fundamental and continuing police training and law enforcement education. In addition to the Attorney General, the Superintendent of State Police, the Commissioner of Education, the Special Agent in Charge of the State of New Jersey, Federal Bureau of Investigation, and two citizens of this State, the Commission is composed of representatives of the New Jersey Association of Chiefs of Police, the New Jersey Policemen's Benevolent Association, Inc., and the New Jersey State League of Municipalities. Since the Police Training Commission was established in 1961, one of its citizen members has been the former president of the New Jersey State Lodge, Fraternal Order of Police. In my view, police organizations are well represented on the Commission as it is presently composed.

Accordingly, I herewith return Assembly Bill No. 8, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 9

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 9 without my approval.

Assembly Bill No. 9 would permit the operator of a garage or service station to sell at public auction any unclaimed or abandoned motor vehicle left on or about his premises for a period of 90 days.

Although this act has been introduced to facilitate the disposal of apparently abandoned vehicles, it incorporates a number of undesirable provisions and it is not clear whether existing statutes, particularly the Garage Keepers' Lien Statute (P.L. 1915, c. 312, as amended and supplemented) and the Abandoned and Unclaimed Motor Vehicles Statute (P.L. 1964, c. 81) are supplemented or superseded by its terms.

The Abandoned and Unclaimed Motor Vehicle law was passed in 1964 to permit public agencies to sell at public auctions abandoned vehicles which remained unclaimed for 30 or more days. This law was intended as an additional remedy and was not to be construed as superseding any existing remedy such as that provided by the Garage Keepers' Lien Statute.

Assembly Bill No. 9's only departures from the provisions of the Abandoned and Unclaimed Motor Vehicles Statute are: 1) the period during which the automobile is unclaimed is extended from thirty days to ninety days, 2) a garageman rather than a public agency is able to initiate the sale at public auction, and 3) any proceeds from the sale rather than being remitted to the public treasury are presumably to be pocketed by the garageman. No statement accompanies A-9 which would explain why this extraordinary procedure is necessary for efficient disposal of the vehicle when the Abandoned and Unclaimed Motor Vehicle law could apply to all such situations.

If the intent of the bill is to facilitate the disposal of vehicles now subject to the Garage Keepers' Lien Statute, i.e. those which have been left on the premises for repair at the request or consent of the owner, Assembly Bill No. 9 fails again to indicate why present law is inadequate and provides an inappropriate and unjustified recourse for the recovery of any repair or supply costs. Under the terms of A-9, if the "owner or other person entitled thereto" reclaims possession prior to sale, he is responsible for only those expenses incurred in the vehicle's removal and storage. That is, unlike the Garage Keepers' Lien Statute, possession may be obtained without payment of any repair or supplies costs, thus depriving the garageman of his traditional protection for servicing the automobile.

On the other hand, if possession is not claimed prior to sale, the owner and anyone having a security interest in the vehicle lose all rights to the proceeds of the sale. Thus, for repair and storage costs totaling $200, a garage owner authorized by A-9 could receive $1500 obtained by sale of the automobile as "upon the sale of any motor vehicle pursuant to this act all claims of interest therein shall be forever barred." Under patently more reasonable Garageman's Lien Statute, the proceeds of the public sale are applied to the payment of the lien and the expenses of the sale with the balance being paid to the owner. If the owner fails to claim the balance within 60 days after the sale, the monies are paid to the municipality for the support of the poor.

Assembly Bill No. 9 would therefore create only inequities and confusion in its attempt to facilitate the disposal of abandoned automobiles. Even if present legislation dealing with this situation is inadequate, A-9 is a poorly conceived and drafted response to that need.

I therefore return Assembly Bill No. 9 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
July 2, 1969.

ASSEMBLY BILL No. 144

To the General Assembly:

I herewith return Assembly Bill No. 144, without my approval, for the following reasons:

This bill would abolish the use of give-away games and trading stamps, in connection with the retail sale of gasoline.

The New Jersey Supreme Court decided on June 6, 1969, that games are already illegal under the law enacted in 1938, prohibiting gas station dealers from using "lotteries" and "games of chance" in connection with the sale of gasoline. As a result of this decision, those aspects of the bill dealing with games are moot, and I direct my comments to the question of trading stamps.

The legality of this type of sales promotion has been upheld by the New Jersey courts in *Sperry and Hutchinson* v. *Margetts,* 25 N. J. Super. 568, 96 A. 2d 706 (1953), aff'd 15 N. J. 203, 104 A. 2d 310 (1954). The remaining issue is then whether the consuming public of New Jersey would be well served by a ban on the issuance of stamps by gas stations.

In the trading stamps case just cited, the court quoted the following from an earlier New Jersey decision, *Reingold* v. *Harper,* 6 N. J. Super. 182, 78 A. 2d 54 (1951).

> "It is essential that there be a substantial relation between the regulation and the protection of the common welfare in an area of action within the reach of the police power; and also that the means be reasonable and appropriate to that end.
>
> "If the dominant purpose be the advancement of private interests under the guise of the general welfare there is a perversion of the power. Police regulation denotes such restraints upon property, trade or business as may be fairly imposed for the good of all. The power may not be exerted to serve private interests in contravention of common rights."

I believe these phrases appropriately set the standard for the wise use of the power of government to interfere in economic relationships. Unless there is a clear showing of benefit or protection to the consuming public, or unless there is evidence that any gas station operator is under coercion to buy and issue trading stamps, I feel that the use of these stamps should be left to the individual decisions of the competitive market place.

No information has been presented to me which would indicate that there is a detriment to the public at large, or an element of coercion involved in the use of trading stamps by gas stations. As a matter of fact, to judge from the volume of mail received by my office on this issue, the overwhelming majority of those who have written tend to favor the continued use of stamps.

Let me point out that both consumers and gas station operators are free in this State to make use of trading stamps or not, as they see fit, and if they choose to use stamps to select from a variety of different stamps offered.

There has been no showing that a prohibition of stamps will reduce the cost of gas to the consumer. There is already a variance in the price of gas among service stations today, and there is nothing to prohibit an individual service station operator from dropping his price and giving up stamps, if he feels this a better method of attracting business. No good reason has been presented to me to remove these decisions from the realm of competition.

The bill contains another defect, in that it would establish a discriminatory situation in our laws, whereby gas stations would be barred from the use of trading stamps, but all other forms of business would be able to continue their use. No one has indicated any reason to entertain this discrimination.

Finally, I have also given weight to the letters of opposition to this legislation, sent me by the New Jersey State AFL-CIO, the New Jersey Manufacturers Association and the New Jersey State Chamber of Commerce and others who have pointed out that 118 New Jersey manufacturers between them supply over 25 million dollars worth of redemption merchandise each year, providing jobs for thousands of people. In addition, 2 thousand people are directly employed in the trading stamp industry in New Jersey.

None of these economic statistics would be persuasive if any showing of harm to the general public or unfair business practices were present. But having no such evidence before me, I can see no reason why their use in gasoline retailing should be singled out for prohibition.

For the above reasons, I must withhold approval of this type of legislation.

I therefore return Assembly Bill No. 144 without such approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 146

To the General Assembly:

I herewith return Assembly Bill No. 146, without my approval, for the following reasons:

Assembly Bill No. 146 would supplement chapter 36 of Title 18A of the New Jersey Statutes for the purpose of authorizing, at the opening of the school day in each public school classroom, "a brief period of silent prayer or meditation with the participation of all the pupils therein assembled." Furthermore, this measure provides also that the silent prayer or meditation sought to be authorized "shall be considered as an opportunity for silent prayer or meditation on a religious theme by those who are so disposed, or a moment of silent reflection on the anticipated activities of the day."

This bill is a *verbatim* copy of Assembly Bill No. 640 (1968), which I returned to the Legislature without my approval. My veto message concerning A-640 (1968) stated as follows:

"At best, this bill would be a meaningless gesture without significant legal effect. At worst, it could be construed as an attempt at legislative usurpation of the legitimate functions of the judiciary. If the brief period of silent prayer or meditation provided for in this bill is, indeed, not a religious service or exercise, there is no need for such legislation. No enabling legislation is required to permit individual teachers or local school authorities to adopt the practice of holding moments of silence in a classroom. To the extent, however, that this bill may be designed to circumvent court decisions prohibiting religious exercises in the public schools, it represents an attempt to usurp judicial authority and is unconstitutional as a violation of the "Establishment Clause" of the Firts Amendment.

Legislation cannot alter the United States Constitution. The responsibility for authoritatively interpreting the Constitution resides in the judiciary. To attempt to circumvent the decisions of our state and federal courts which have held that any law which requires religious exercises in the public schools is violative of the United States Constitution, is to undermine our system of government and the respect for the rule of law which is essential to a free society.

I am confident that such was not the intention of the sponsors of this bill. Rather, I am sure that this legislation was proposed in the expectation—which I share —that a moment of silence for meditation or reverence in the public school day, in the absence of compulsion or prescription by public authorities, is constitutionally permissible. But there is language in this bill which unnecessarily invites constitutional attack. Providing for the teacher to "*conduct* a brief period of silent *prayer* or meditation" suggests the idea of the schools conducting religious exercises, which the United States Supreme Court found to be unconstitutional in *Engel* v. *Vitale*, 370 U.S. 421 (1962), and *School District of Abington Township* v. *Schempp*, 374 U.S. 203 (1963). Requiring "the participation of all the pupils therein assembled" adds an element of compulsion which may also be considered objectionable.

I must reluctantly conclude that this bill would invite unnecessary litigation and religious controversy

while being ineffective to authorize any practice which is not already permissible."

No decision of the United States Supreme Court rendered subsequent to my veto of A-640 (1968) has undercut constitutional doctrine announced in *Engel* v. *Vitale*, 370 U.S. 421 (1962) and *School District of Abington Township* v. *Schempp*, 374 U.S. 203 (1963).

I must conclude accordingly that Assembly Bill No. 146 (1969) suffers the same infirmities as its predecessor, and must likewise be returned to the Legislature without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

ASSEMBLY BILL No. 151

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 151, without my approval.

Assembly Bill No. 151 provides that no land shall be acquired by the State or a local unit under the "Green Acres" program in excess of 25% of the total area of the municipality without first obtaining the consent of the affected municipality. I must return this bill without my approval. It does not provide municipalities with the protection they seek, since by limiting purchases under the Green Acres Program to 25% of the "total area" of the municipality, it fails to go to the heart of the problem, which is the potential loss of tax ratables. Moreover, such limitations are often too rigid to be applicable across the State.

In fact, in the case of counties of the first class, purchases would still be possible for a county park commission of land

up to 35% of the total area of the municipality (NJSA 40:37–101.5). Such measurements are, by their nature, arbitrary. As I have indicated, the real problem is the loss of tax revenues. It should be solved by providing for a realistic program of payments in lieu of taxes. When parks are State or regional facilities, the cost of those parks should be borne on a State or regional basis.

Therefore, I urge the Legislature to await the Report of the Committee appointed pursuant to AJR-5 (1969), chaired by Assemblyman Woodson, regarding payments in lieu of taxes before enacting legslation such as this.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.
ASSEMBLY BILL No. 164

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 164, without my approval.

RS 40:61–3 allows a local park commission to return lands not used for park purposes to the local municipality. The municipality may then convey or lease such lands. This bill would validate all such conveyances hitherto made, notwithstanding lack of authority by proper resolution of the governing body, provided the deed has been on record for ten years or more.

It is my understanding that this bill has specific reference to certain park lands in the City of Bridgeton, Cumberland County. Furthermore, the action or actions which would be validated with the approval of this bill are now the subject of litigation pending before the Chancery Division of the Superior Court of New Jersey, Cumberland County, in the

matter of *Hickman, et als* v. *The Mayor and City Council of the City of Bridgeton, et als.*

It would thus be inappropriate for me to approve legislation which might tend to influence the outcome of a controversy now pending before our courts. Accordingly, I herewith return Assembly Bill No. 164, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 239

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 239, without my approval.

Prison officers under the Prison Officers' Pension Fund are presently entitled to certain benefits in the event of a death resulting from injuries or illness incurred in the performance of their duty. Assembly Bill No. 239 was intended to provide greater death benefits when the death results from injuries received in the line of duty rather than illness. In such cases, a widow would be entitled to payments of $1,800 annually. Children under the age of 16 would be entitled to $45 monthly until they reach the age of 16. The bill is retroactive to January 1, 1968.

There are numerous objections to Assembly Bill No. 239. First, it is not clear that the way a person dies in the line of duty should affect the benefits that his dependents received. What is relevant, is the need of the widows and the children. Therefore, the attempt by Assembly Bill No. 239 to set up two separate categories would lead to the patent unfairness that two families, broken by the same disasterous loss of husband and father, would be treated differently.

The more particular objection is that the terms of the Prison Officers' Pension Fund were just recently amended by P.L. 1969, c. 56 (Assembly Bill No. 483). These amendments increase the benefits payable for deaths resulting from illness and injuries received or incurred in the course of a prison officer's employment from $1,000 annually to $1,600 annually. Moreover, the monthly payments for children were raised from $45 to $80 (i. e., $35 more monthly than under Assembly Bill No. 239), and made available to children up to the age of 18 years, rather than 16 years.

If Assembly Bill No. 239 is signed, we therefore will be confronted with the anomaly that the children of prison officers dying as a result of injuries would receive lesser benefits ($45) than those of prison officers dying as a result of illness ($80), while the wives of prison officers dying as a result of injuries would receive greater benefits ($1,800) than the wives of officers dying as a result of illness ($1,600). This is clearly a result not desired by the sponsors of Assembly Bill No. 239, who introduced Assembly Bill No. 239 before the changes to be made by Assembly Bill No. 483 were known.

In short, P.L. 1969, c. 56, meets the need of increased benefits for the widows and children of prison officers fairly, consistently and, on balance, more generously. If the benefits are inadequate, a simple increase in the amount payable to both categories of widows and children is far preferable to the artificial distinction which would be drawn by Assembly Bill No. 239, and its unusual and unintended consequences.

I therefore must return Assembly Bill No. 239 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 242

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 242, without my approval.

This bill provides for the creation of municipal and county boards of recreation commissioners, with the power vested in such boards to acquire lands for parks, playgrounds and other recreational areas, and to equip, maintain, and operate them. This bill is a verbatim restatement of the provisions of RS 40:12–1, *et seq.,* with two significant differences. The present statute specifically excludes municipalities with the commission form of government from creating such boards of recreation commissioners, pursuant to Chapter 12 of Title 40 of the Revised Statutes. This bill has no such provision. Secondly, the power to appoint these boards of recreation commissioners is reposed in the governing body of their municipality under the provisions of this bill. Section 40:12–1 of the Revised Statutes provides that the appointing power shall vest in the mayor or other chief executive officer of any municipality, and with regard to counties, in the Board of Chosen Freeholders.

I am seriously concerned, that the approval of this bill might imply that the Legislature intended to repeal the existing sections of Chapter 12 of Title 40 of the Revised Statutes, and substitute the provisions of Assembly Bill No. 242 in their place.

It is my firm belief that the appointing power should remain reposed in the mayor or chief executive officer of a municipality, with regard to these boards of recreation commissioners. I can understand that municipalities with the commission form of government may feel the need to have a board of recreation commissioners, notwithstanding the provisions of Section 40:12–1 of the Revised Statutes. If that is the case, the appropriate legislation would be in the form of a direct amendment to section 40:12–1 of the Re-

vised Statutes, which makes specific provisions for municipalities governed by a commission.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 244

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 244 without my approval.

Assemlby Bill No. 244 would require municipal clerks to notify by certified mail, return receipt requested, the owner of a vehicle when the vehicle was operated by someone else and a summons was issued to the operator as a result of an accident or a moving traffic violation.

The interest of traffic safety and driver control would clearly be served by enactment of this measure. If an owner were alerted to the fact that the individual to whom he had entrusted his vehicle has incurred an infraction, the owner would be in a position to exert a positive influence over the operator's future driving habits. Despite the merit in the intent of this bill, however, practical consideration in its implementation prevent my approving it at this time.

Under the terms of A-244 the municipal courts would be charged with the responsibility of notifying the owners of vehicles involved in non-parking traffic complaints. During the past year over 648,000 such complaints were filed with the court. Without altering the present uniform traffic ticket which does not indicate whether an operator is the owner, it would be necessary for the court clerk to contact the Division of Motor Vehicles with regard to every complaint to determine and verify ownership of the vehicle. Assuming

that 20% of the non-parking cases proved to be violations involving non-owners, the financial cost to the courts for sending the summonses certified mail would be over $60,000 in postage alone. The cost in additional clerical time required for isolating, duplicating and sending the summonses would unduly pressure an already burdened court.

To shift the responsibility for notifying the owner to the Division of Motor Vehicles is also not possible at the present time. Although the Division would be the most logical agency to verify ownership and transmit the notice, it relies on court dispositions rather than summonses issued in maintaining its violation records and no mechanism for correlating the ownership of the vehicle with the driver registering the violation now exists. In addition, requiring the Division of Motor Vehicles to correlate and notify each owner in every non-parking case by certified mail would entail the same prohibitive cost as pertained to the courts and no appropriation for this purpose is provided.

Although I must therefore, reluctantly disapprove of this bill, I commend its attempt to improve driver control and urge continued study of methods and operations which could allow for future enactment of its provisions.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 251

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 251 without my approval and with strong objections.

A-251 provides that whenever any person advertises in a manner which is misleading in a material respect, he shall

be liable to a civil penalty up to $500, which is to be recovered in a civil action brought by the Attorney General. Provision is also made for the recovery by the injured party of any damages sustained, as well as punitive damages in the discretion of the court.

Although the statement which accompanied this bill's introduction characterized it as a means of preventing false advertising in the State of New Jersey and providing a remedy to persons injured by such false advertising, the amendments adopted prior to its passage nullified any such intended effect. As originally introduced, the bill would have added only confusion but no significant impairment to the State's present enforcement capacity to protect the consumer from deceptive practices. The Attorney General already has the power under N.J.S.A. 56:8–1 *et seq.* to hold administrative hearings on alleged false advertising and assess penalties against any person who is found to have deceived the public. As the bill did not make it clear whether its provisions were to supplant or supplement these existing powers, it would have merely failed to receive my approval as superfluous legislation.

As amended, however, A-251 should not be enacted as a consumer protection measure for critical substantive reasons. Under A-251 the State would have to demonstrate that an individual or corporation advertised falsely with full knowledge of the nature of his act and with the willful intent to defraud: "Any person . . . who *knowingly* engages in any of the acts or practices stated in this article to be unlawful shall be liable to a civil penalty" (emphasis added). Present statutes dealing with the protection of the consumer in this respect permit the assessment of penalties by the State where only the fact of false advertising has been established: "The act, use or employment by any person of any deception, fraud, false pretense, misinterpretation *or* the knowing concealment, suppression or omission is declared to be an unlawful practice" (emphasis added), N.J.S.A. 56:8–2. The Attorney General has relied chiefly on the former clause to implement his enforcement powers as its proscriptions are easier of proof. To now eliminate this avenue and require that actual knowledge of the deceptive nature of the representations be established in all cases would impede efforts to guarantee the reliability of advertisements.

The most strident defect of A-251 as passed, however, is the clause which establishes as a complete defense to any civil action brought under this act, the fact that the challenged advertisement is "subject to and complies with the rules and regulations and statutes administered by the Federal Trade Commission or any office, department, division, commission or agency of the State of New Jersey". This provision would allow for a myriad of extraneous and inconsequential matters being introduced into the proceeding with the result that no penalty might attach. Thus, if a practice has been approved by a professional board in the self-regulation of its industry, without any consideration having been given to its potential misleading effect on the public, the rasing of this routinely given and possibly self-serving approval would operate as a complete defense in the action.

Particularly, if knowledge if his wrong-doing is made a necessary element in the complaint, it becomes even more reprehensible that the culpability of the individual could be removed by the offering of evidence only remotely affecting the purpose of this legislation. To sign A-251 as it passed both houses would be in itself deceptive, advertising falsely to the public that we have strengthened the State's capacity to protect consumers.

I strongly urge the legislature to address itself instead to meaningful consumer protection legislation such as I recommended in my Annual Message to the Legislature.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
July 2, 1969.

ASSEMBLY BILL No. 306

To the General Assembly:

I herewith return Assembly Bill No. 306, without my approval, for the following reasons:

This bill seeks to impose upon every passenger air carrier a "service fee" of from $.50 to $2.00 for each passenger embarking from an airport located in one or more municipalities with a population of 100,000 or more. Such "fee" would be in the amount of $1.00 for each passenger to be carried within the United States, $2.00 for each passenger for an overseas destination, and $.50 for each helicopter passenger. The air carriers would be authorized to collect these amounts from their individual passengers.

I believe that the record of this Administration is clear with regard to the needs of our urban areas, and, particularly, our State's largest city. I have proposed time and again legislation, some of it unpopular, which would provide significant aid to our hard-pressed cities and local taxpayers. For if we do not cure the sickness in our urban areas, it will surely spread to all of the State. My proposals have, in most instances, been rejected. Now the Legislature comes forward with a bill designed to aid the cities of Newark and Elizabeth which is clearly unconstitutional on its face and is, in effect, a cruel hoax on citizens of these communities. For if I were to sign this bill, not only would these cities never receive one nickel, but, in fact, we would actually be adding to their burden by thousands of dollars in legal fees in a futile attempt to prove a point on which the courts of the United States have not varied from 1849 to the most recent decision in 1969.

Although the amounts required to be collected under this bill are termed "service fee", there can be no question that the bill constitutes a direct tax upon interstate and foreign commerce.

It is well established that there exists as an attribute of national citizenship the right to travel in interstate and foreign commerce free of restraints or burdens imposed by the several states. This right was first recognized in *The Passenger Cases*, 48 U. S. 283 (1849), which held that a head tax imposed upon every arriving ship passenger was invalid. Mr. Chief Justice Taney, although believing that a state might validly tax aliens, held that all citizens possess "the right to pass and repass through every part of it [the United States] without interruption" and that "a tax imposed by a State for entering its territories or harbors is inconsistent with the rights which belong to the citizens of other States as members of the Union." (p. 492).

This statement became the holding of *Crandall* v. *Nevada*, 73 U. S. 35 (1867), which is precisely on point. Nevada levied

a tax of $1.00 upon every person leaving the state by means of common carrier. As in the proposed legislation, liability for the payment of the tax was placed on the carriers who, however, were authorized to collect it from the passengers. In striking down this law, the Supreme Court said:

> "He [the citizen] has the right to come to the seat of government to assert any claim he may have upon that government, or to transact any business he may have with it. To seek its protection, to share its offices, to engage in administering its functions, he has a right of free access . . . and this right is in its nature independent of the will of any state over whose soil he must pass in the exercise of it." (p. 44)

This problem was reaffirmed as recently as the Supreme Court decision April 21, 1969, in *Shapiro* v. *Thompson*, 37 Law Week, 4333, invalidating residency requirements for the receipt of welfare benefits as an infringement of the right of travel and as a denial of legal protection.

This right insofar as interstate travel is concerned has been further strengthened by repeated Supreme Court decisions of great significance. Thus, *Twining* v. *New Jersey*, 211 U. S. 78 (1908), stated that "among the rights and privileges of national citizenship recognized by this court are the right to pass freely from state to state . . ." (p. 97). In *Edwards* v. *California*, 314 U. S. 160 (1941), the concurring opinion stated "the right to move freely from state to state is an incident of *national* citizenship protected by the privileges and immunities clause of the Fourteenth Amendment against State interference." (p. 178). *United States* v. *Guest*, 383 U. S. 745 (1966), held that "[T]he constitutional right to travel from one State to another . . . occupies a position fundamental to the concept of our Federal Union." (p. 757).

And insofar as foreign travel is concerned, the imposition of a State tax upon international passengers was held invalid in *Henderson* v. *Wickham*, 92 U. S. 259 (1875), *Chy Lung* v. *Freeman*, 92 U. S. 276 (1875), and *People* v. *Compagnie General Transatlantique*, 107 U. S. 59 (1883).

There are no cases to the contrary.

In addition to violating the fundamental right of the citizen to travel, the act also creates an arbitrary and invalid discrimination in violation of the equal protection clause of the Federal Constitution. This discrimination is

aimed at departing commercial air passengers as opposed to arriving passengers. It also creates an arbitrary and unjustified discrimination among the subclasses of passengers covered by the act. There seems no reason, in fact or in theory, to impose a charge on departing passengers but not against others similarly situated with respect to airport facilities such as arriving passengers, general aviators, and visitors to the airport.

The bill, since it limits this tax only to Newark airport, also creates an invalid discrimination with regard to all the other airports from which commercial passenger flights depart in New Jersey.

Finally, the tax levied by this bill, although termed a "service charge," bears no reasonable relation to the use of airport facilities or to any expenditure which may be borne by the city or the State in connection with the operation of the airport. Therefore, it is in violation of the Commerce Clause of the Federal Constitution.

It has long been held, with respect to state fees for the use of highways and other state facilities, that the formula or classification adopted by the state must bear a reasonable relation to the use of such facilities, *McCarroll* v. *Dixie Greyhound Lines, Inc.*, 309 U. S. 176 (1940), *Interstate Transit, Inc.* v. *Lindsey*, 283 U. S. 183 (1931). As noted above, the charge imposed by the act is entirely arbitrary and bears no conceivable relationship to the actual use made of airport facilities either by passengers or by carriers, nor are funds raised by it required to be devoted to airport uses. It differs significantly from highway and waterway use charges upheld as permissible, in which the amount of the fee is based on mileage, weight, or some other factor related to actual use.

The discrimination in the application of this tax makes it plain that actual use has not been considered at all. There is no tax burden whatsoever on air cargo freight or people who handle it when clearly this is a use of the airport and its facilities. Further, the sponsors of this legislation have made no showing, nor could a reasonable man make a showing, that an international traveler will somehow make greater use of the airport facilities and should, therefore, be taxed twice as much as a domestic traveler. This list of inequities, incongruities, and injustices could be developed at great length, but I believe that the unconstitutional nature of this act has already been most clearly established.

It has been argued both on the floor of the Legislature and to me personally that it is solely the province of the courts to decide constitutionality, and that it is not my function to interpose judgment but that I should merely let the courts decide. I would point out to people who hold this view that both I, as Governor, and the members of the Legislature are sworn to uphold the Constitution of the United States. It is folly, therefore, for either of us to overlook our plain duty in the face of an obviously unconstitutional act in an attempt to curry fleeting favor with voters or to avoid the hard issues of significant aid to our urban areas.

I cannot be persuaded that I should stand aside from my constitutional duty and certify to a long costly and fruitless court battle, a measure which will never produce one cent of revenue for the cities of Newark or Elizabeth. For a court injunction would issue the very first day staying the collection of this tax until the inevitable negative decision was rendered.

Thus, for example, when the State of Indiana only last year attempted to impose a charge of $1.00 on every departing passenger from Dress Memorial Airport in Evansville, a suit was immediately brought by the air carriers affected and the collection of that tax was permanently enjoined and the ordinance held to violate the United States and Indiana Constitutions. Not one cent was ever collected.

I believe, therefore, that it is my plain duty, as it should have been the Legislature's, to refuse to approve this obviously unconstitutional act. Other public officials in similar situations have not shied from this duty. Thus, in recent years formal opinions by the City Attorney of the City of Los Angeles, by the Attorney General of the State of North Carolina, by the Attorney General of the State of Washington, and by the Attorney General of the State of Hawaii, have all held similar legislation to be an unconstitutional burden on interstate commerce and on the right of travel of all citizens.

Nowhere is there reported one instance where such legislation has been held constitutional in any state of the United States.

I trust members of the Legislature will join with me in seeking to aid Newark and our other urban areas with real rather than false and illusory programs.

For the above reasons, I must withhold approval of this type of legislation.

I therefore return Assembly Bill No. 306 without such approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 325

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 325, without my approval.

Assembly Bill No. 325 provides that in the case of counties of the fourth class, pursuant to the 1960 Federal census (Sussex), a building inspector need not be a resident of any municipality in that county. It further provides that the office of Building Inspector shall not be deemed vacant "by reason of the removal or nonresidence of any such building inspector".

Residence requirements have always been the subject of considerable controversy. In particular, residence requirements are hard on our smaller municipalities, since they have a limited population from which to draw necessary government officials. Nonetheless, such requirements are based on the sound public policy that a person who lives in a community is more likely to be an effective public official in that community. He will have a greater concern for problems, a greater devotion to duty and a better understanding of his function. See *Kennedy v. Newark*, 29 N.J. 178 (1959). In effect, we have two inconsistent public policies: the need to recruit talented people for local government, and the desire that they should be residents of the community which they serve. A delicate balance must be struck in such cases.

This bill strikes no such balance. It seeks to solve the problems of a particular community by a classification which serves neither of these policies. First, the use of the classification by county is not relevant to a municipal office. If there is a problem of recruitment by smaller municipalities, then the exclusion from the residence requirement should be based on the population of the municipalities, not the county. The bill is therefore subject to attack as special legislation in violation of N.J. Const., Art. IV, Sec. VII, Par. 9(13).

Moreover, the problem is compounded when the statute specifies the 1960 Federal census, when we are in 1970 and about to have a new census. Thus, while every classification would change in accordance with the new census, the position of building inspector in fourth-class counties would remain in effect. The holding of *Vail v. Somerset County*, 17 N.J. Misc. 133 (1939), rev'd. on other grounds, 123 N.J.L. 415, would appear to preclude this approach as special legislation.

There is also the problem that notwithstanding the fact that the bill styles itself a "supplement", it in fact amends the provisions of R.S. 40:46–14. As an amendment, it fails to set out the language of the section to be amended, as is required by the Constitution (N.J. Const., Art. IV, Sec. VII, Par. 5).

Accordingly, I herewith return Assembly Bill No. 325, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 326

To the General Assembly:

I am returning Assembly Bill No. 326 herewith, without my approval, for the following reasons:

Assembly Bill No. 326 would direct the State Department of Transportation to study and determine the practicability and feasibility of extending either the Garden State Parkway or the New Jersey Turnpike, or both, into the counties of Warren and Sussex. If approved by me, the Department would have one year within which to complete the study and to report its findings and recommendations to the Legislature.

This measure is similar to Assembly Bill No. 905 (1968), which would have directed the Department to determine the practicability and feasibility of providing arterial and collector roads to augment the State highway system in Warren and Sussex counties. I returned A-905 (1968) to the Legislature without my approval because the studies it mandated were already in progress and because A-905 (1968) imposed upon the Department such a short reporting date.

Now that the studies contemplated by A-905 (1968) have been completed, Assembly Bill No. 326 would mandate supplementary studies—all intended to determine ways of enhancing the movement of vehicular traffic to Warren and Sussex counties. The sponsor of Assembly Bill No. 326—who also sponsored A-905 (1968)—is to be commended for his efforts to anticipate continually accelerating growth in those two counties. While I applaud this intention of the sponsor, I am not persuaded that Assembly Bill No. 326 will be of significant assistance in translating his intention into reality.

I note at the outset that A-326 (1969) appropriates no supplemental funds to the Department of Transportation for the purpose of underwriting the costs of the study contemplated by the bill. Consequently, my approval of this bill would obligate the Department—whose manpower resources and finances are strained already—to divert some of its employees from their continuing planning and engineering studies of toll-free public roads. I must question the wisdom of A-326 (1969), which would require the Department, instead of studying and planning toll-free public roads it has power to build, to study and plan toll roads for which it has no responsibility or authority.

Indeed, it is precisely that absence of legal authority in the Department to build and operate the extensions contemplated by A-326 which gives me further

cause for question. The extension of either the Parkway or the Turnpike in Warren and Sussex counties can be accomplished only by the New Jersey Highway Authority or the New Jersey Turnpike Authority, respectively. Both those public corporations have entered into convenants obligating them to refrain from jeopardizing, in any way, their toll revenues—which are pledged to secure the payment of the millions of dollars of bonds held by their thousands of bondholders. Although the Department of Transportation might study the proposed extensions thoroughly, the public corporations involved will undertake such major projects only after equally thorough study by their own staffs and consultants. Accordingly, it is my opinion that the conduct by the Department of the study contemplated by A-326—in the first instance, at least—would be wasteful of the resources of the Department.

Lastly, I note in passing, that there may be little reason for extending either the Parkway or the Turnpike into Warren and Sussex counties. That area of the State will be served by Routes 78 and 80, both of which are under construction at the present time. Furthemore, the Master Plan of the Department of Transportation envisions the proposed "Route 24 Freeway," running from Morristown to Phillipsburg. These three roads should greatly enhance vehicular traffic in Warren and Sussex counties, and should accommodate anticipated vehicle loads in the coming years.

For these reasons, then, I herewith return Assembly Bill No. 326 (1969) to the Legislature without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 345

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 345 without my approval for the following reasons:

Since 1915 it has been necessary for a county or municipality to seek and receive the approval of the Division of Motor Vehicles prior to the installation of any traffic control signal—P. L. 1915, c. 156. Assembly Bill No. 345 would eliminate this requirement of state approval and would permit the installation of a traffic signal whenever a county or municipality determined one was necessary, based on a study of projected traffic volume for a two-year period.

Only confusion and controversy can result from withdrawing the context of a coordinated, comprehensive strategy for traffic control from decision-making in regard to the placement of signals. For example, under this bill a municipality could install a signal upon any county or State highway without any consideration of its effect on traffic beyond the immediate area.

The bill does provide that installed signals must comply with the manual and specifications for a uniform system of traffic control signals as adopted by the Division of Motor Vehicles. However, providing that the signal itself must conform to state standards would not relieve the problem presented by an unchecked decision as to placement and is in itself impossible to enforce. The State's Manual on Uniform Traffic Control Devices for Streets and Highways does not allow for projected traffic flow to enter into the warrants for traffic signals. The Division of Motor Vehicles anticipates that if a signal is installed which is based on projected volumes, the interim period between the time of the signal installation and the time that the projected volumes are reached would be detrimental to traffic flow, result in accident increase, and encourage disobedience to the signal itself.

Paralleling the progress of this bill through the legislature was Senate Bill No. 441 which was signed into law on May 28, 1969 as P. L. 1969, c. 65. S-441 transferred all traffic control responsibility from the Division of Motor Vehicles to the Department of Transportation. As the statement appended to the bill set out, this move was designed to

> improve the efficiency and increase the coordination of transportation policies of this State by transferring the responsibility for administering, developing and enforcing the laws and regulations relating to traffic, including pedestrian travel on the public streets and

highways and the regulation and control of the character, type, location, placing and operation of all official traffic control devices on the streets, highways and public places in the State, from the Division of Motor Vehicles in the Department of Law and Public Safety to the Department of Transportation.

Statement, Senate 441.

It would be inconsistent and inconceivable to so recognize the increasing need for coordinated traffic control by such a major transfer of responsibility and yet remove through passage of A-345 one of the major tools in effecting such control. Any support of A-345 should await the demonstration that the disaffection with the state's role which prompted this bill's introduction continues to be felt despite the transfer of the state's responsibility in this regard to the Department of Transportation.

With highway safety being so directly affected by the proper installation of traffic signals, with the interdependence of such signals having been recognized for over fifty years, we cannot now regress and rely or unreviewed local considerations to dictate safe and efficient traffic flow.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 371

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 371, without my approval.

This bill would permit appointment to the position of Assistant Director of a County Narcotics Clinic anyone who

has served for the last 18 months with such a clinic as a psychiatric social worker, or a social worker for narcotics clinics and has served with a county narcotics commission for at least 5 years, in a county of the second class having a population of at least 350,000 but not more than 500,000.

This bill, if enacted, would have a confusing and deleterious effect. The position of Assistant Director does not now exist as a civil service position. If it were established it would be allocated to the classified service, as the Director title is itself classified. Any appointment to a classified position without promotional examination from the lower titles as listed in this bill would be a violation of the merit system. Article VII, Section 1, Paragraph 2 of the New Jersey Constitution requires that appointments and promotions of public officers and employees in this state shall be made according to merit and fitness "to be ascertained, as far as practicable, by examination." As it has been considered practicable to appoint the Director through examination, any Assistant Director should also be so selected.

The particular prerequisites which A-371 details for being appointed as an Assistant Director would not guarantee a qualified candidate, and would exclude from consideration many individuals who could be valuable additions to the unit. Particularly in the field of drug abuse and control, the most stringent assurances of qualified personnel must be established and positions of responsibility in this area must remain open to all experienced applicants.

Therefore, I return Assembly Bill No. 371 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
April 21, 1969.

ASSEMBLY BILL No. 396

To the General Assembly:

I herewith return Assembly Bill No. 396, without my approval, for the following reasons:

This bill would make permanent the appointment of two men to the police department of the City of Cape May, notwithstanding the fact that their ages are greater than the maximum age limit for appointment thereto set forth in section 40:47–4 of the Revised Statutes. I note immediately that this bill was passed by the Senate and delivered to my office — not at my request — even though it did not receive the approval of three-fourths of the membership of the General Assembly. Moreover, the appointments sought to be made by this bill would also be made by Assembly Bill No. 682 of 1969, which has properly passed both houses of the Legislature and which I am prepared to sign.

Accordingly, I must withhold my approval of Assembly Bill No. 396.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 402

To the General Assembly:

I herewith return Assembly Bill No. 402, without my approval, for the following reasons:

This bill amends the law which prohibits the operation or maintenance of a junkyard unless the parts of that yard

which face a street or highway are enclosed by a wall or fence, which law I approved on September 6, 1968. Junkyard dealers had six months from that date in which to comply with the law and construct the wall or fence. This bill would extend the period of time in which junkyard dealers must comply from six to ten months.

In my view, a period of six months is more than ample time to comply with this much needed street and highway improvement measure. The proponents of this measure have not demonstrated that the six months period was arbitrary or unreasonable in any way. In addition, were I to approve this bill, it would have no practical force or effect since the ten month period it mandates has already passed.

I am therefore returning Assembly Bill No. 402 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 412

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 412, without my approval.

Assembly Bill No. 412, designated the "Interlocal Cooperation Act", is intended to authorize various units of government to undertake joint enterprises and enter into contracts for the exercise of public powers and responsibilities. Generally speaking, it seeks to provide a broad authorization for discretionary agreements among municipalities, counties, school districts, and other units of government, without resorting to a specific enumeration of functions as has previously been the practice. There are

presently numerous statutes in New Jersey which authorize cooperation and joint action in the areas of planning, sewerage, water supply, transportation, education, recreation, public safety, health services, and housing. See New Jersey Division of State and Regional Planning, *Legislation Authorizing Intergovernmental Cooperation in New Jersey for Planning and the Development of Community Facilities* (September 1966). In addition, under the Consolidated Municipal Service Act of 1952 (P.L. 1952, c. 72; C. 40:48B–1, *et seq.*), two or more municipalities may create "a joint meeting" to exercise public and governmental functions in all of the above areas. Assembly Bill No. 412 would go beyond the authorization in allowing other units of government to join the process.

The bill originates in a draft adopted by the Council of State Governments, in *Suggested State Legislation Program for 1957,* p. 93. It was subsequently adopted by the Advisory Commission on Intergovernmental Relations (ACIR), in *1967 State Legislative Program of the Advisory Commission on Intergovernmental Relations*, p. 477. Assembly Bill No. 412 therefore incorporates some of the best thinking on the problem of interlocal cooperation from a national perspective.

However, it is precisely the fact that the bill was drafted for nationwide use that creates several serious problems which regards its specific application to New Jersey, our Constitution, and our particular problems.

First and foremost, it must be recognized that the device of interlocal contracts is different from that of joint local enterprises. The former merely provides for the rendering of services or the performance of functions by one agency for another. The latter involves the creation of a totally new and different unit of government. I have serious doubts as to whether New Jersey needs even greater fractionalization of governmental responsibility. We have 567 municipalities, 21 counties, and large numbers of special districts and authorities. It appears to me that first and foremost, New Jersey should revise its legislation in the area of municipal annexation and consolidation before embarking on legislation which would authorize the creation of even more public bodies.

However, this bill must, of course, stand on its own merits. I have reviewed it carefully and find that there are sizeable

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problems presented by it. To take an example, Section 4(a) of the bill states "*Any* power or powers, privileges or authority exercised or capable of exercise by a public agency of this State may be exercised and enjoyed jointly with *any* other public agency of that State and jointly with any public agency of any other state or of the United States to the extent that laws of such other states or of the United States permit such joint exercise or enjoyment" (emphasis added). The definition of public agency includes any political subdivision of the State or of another State. In other words, Section 4 not only authorizes agreements among New Jersey's public agencies, but interstate agreements as well. This sweeping delegation of power raises the following problems:

—The language of Section 4 would apparently authorize a county to join in the exercise of zoning powers with a municipality. This would appear to violate the terms of N. J. Const., Art. IV, Sec. VI, Par. 2, which deliberately excludes counties from the exercise of the zoning power.

—The extraterritorial exercise of the police power by a public agency would also appear to be authorized by Section 4 of Assembly Bill No. 412. This would include, for instance, the power to enforce health codes or other municipal ordinances. Substantive due process questions are raised, in particular, if municipality A could, under the authority delegated to Section 4, impose a tax in municipality B. Certainly there would be serious questions regarding such taxation without representation.

—The joint agencies which would be created pursuant to Section 4(d) also fails to enumerate standards of representation. If several municipalities join together and exercise a broad range of power through a joint body, it is certainly necessary that the agreement creating such a joint body was in conformity with the constitutional requirement of "one man one vote," *Reynolds v. Sims,* 377 U.S. 533 (1964).

—There is also some question as to whether the provision authorizing municipalities to enter into "interstate contracts" is wise or necessary. It would appear to be a sizeable delegation of authority which could commit the State of New Jersey to an agreement

negotiated independently between two municipalities across state lines. In particular, the subject matter of interstate contracts would appear to be one well beyond the proper role of local government. *Wagner v. City of Newark,* 24 N.J. 467 (1957). As the court stated in the *Wagner* case, some matters inheritently are not the proper subject for municipal legislation. Can we afford, for instance, the possibility that two units of local government will contract across state boundaries an agreement which would affect the water supply of other New Jersey municipalities downstream? The approval of the Attorney General required by Section 4 for such agreement can only be considered *pro forma,* since the bill provides that he "shall approve any agreements submitted to him" pursuant to the act unless it does not "meet the conditions set forth" in the act.

There is overall the question of whether Assembly Bill No. 412 constitutes a proper delegation of the State's power. While it is clear that the State may delegate ample power to local government, it is equally clear that any such delegation must be subject to adequate standards and limitations. *In re Public Service Electric and Gas Company,* 35 N.J. 358 (1961). This bill sets no such standards.

Given the many problems thus presented by this bill, I feel that it is only appropriate that it be the subject of additional study and perhaps public hearings. I note that the County and Municipal Government Study Commission has indicated its intention to review the question of interlocal cooperation and the equitable allocation of governmental functions, N. J. County and Municipal Government Study Commission, *Creative Localism—A Prospective,* pp. 88-104 (1968). I note also that the Assembly has passed Assembly Bill No. 1112, which appropriates $10,000 to the County and Municipal Government Study Commission for the purpose of furthering its work program in this area. It is my hope that the Senate will act on the bill shortly as well.

Under the circumstances, therefore, I feel constrained to return Assembly Bill No. 412, without my approval, pending its more complete analysis and consideration by both the Legislature and the Executive.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 434

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 434, without my approval.

Under existing law the custodian of school monies of each school district is the custodian of monies of the municipality unless the board of education shall designate the tax collector of the municipality as such custodian. Where the school district contains more than one municipality, the custodian of school monies is the person designated by law as the custodian of the monies of the constituent municipality having the largest amount of taxable property within the district unless the board of education appoints another suitable person. Assembly Bill No. 434 would amend the law so as to permit the appointment of a custodian of schoool monies from a list of elected and appointed officials of the municipality in which the school district is located or from the list of officers of banks situated in the county in which the school district is located. This bill makes similar changes in the law with regard to school districts comprising more than one municipality.

It is my opinion that there is no need for this bill, since the record of many years of experience indicates that the custodian of school monies and the municipal tax collectors, aided by their experience and knowledge of school finance have performed very well in this capacity. There is a substantial potential danger in extending eligibility for these important positions to officials who may not have the necessary experience and knowledge required to administer properly the funds of school districts. The record of the past two decades, during which the existing law has been operative, indicates that the designation of a municipal official who is subject to direct election in some cases, or appointment by those who are elected by the people, in other cases, has served as an effective system of checks and balances.

The custodian of school monies serving in this dual capacity as the custodian of the monies of the municipality is in the best position to determine the needs of the school board and the municipality, He is in the position to balance the two needs, and to make a more efficient and effective determination as to the proper investment of those funds. Finally, it should be noted that the vast majority of tax collectors and custodians of municipal monies, having attended the course of instruction at Rutgers, the State University, which includes classes specifically designed to aid them in fulfilling their responsibilities as custodians of school monies.

Accordingly, I am returning Assembly Bill No. 434, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
November 17, 1969.

ASSEMBLY BILL NO. 484

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 484, without my approval.

Under Assembly Bill No. 484, the Commissioner of the Department of Community Affairs is authorized to issue regulations regarding the use of glazing materials in "residential, public or commercial" buildings. In particular, safety glass is required in all those areas in which human impact or collision with the glass is possible. Storm doors are excluded. A minimum standard is established and designated as that of the United State of America Standards Institute, a private group, and designated as "Z-97.1-1966". Use of any materials in violation of these standards, or sale of such materials, is declared to be unlawful and subject to a

$100 first offense penalty, with an additional penalty of $50 per day for each successive day the violation continues.

There is no doubt that the intent of the bill is sound. Persons should be protected from the serious injuries that could result from forcefully coming into contact with an invisible sheet of glass. However, the bill is defective in a number of respects. In particular, it fails to recognize the numerous laws already in force and effectively protecting the public from the self-same injuries.

Under the Hotel and Multiple Dwelling Health and Safety Law (P.L. 1967, c. 76), the Commissioner of Community Affairs may already issue regulations regarding glazing materials for hotels, motels and multiple dwellings (residential housing for three or more families). Moreover, the Commissioner will soon hold hearings on regulations which not only meet the minimum standards of this bill, but exceed them.

The remaining residential structures (one and two family dwellings) are generally subject to building and maintenance codes adopted by municipalities (NJSA 40:49–5.1). These may cover the use of guazing materials. We do not know how many do. It is not clear whether Assembly Bill No. 484 would pre-empt the field in this field, and require only State regulation.

Under the "Worker Health and Safety Act", business and commercial establishments are subject to similar regulations. Although regulations in this area have not yet been promulgated, it is expected that they will be soon.

Any commercial and business structures not included under the Worker Health and Safety Act may be included by municipalities by adoption of the New Jersey State Standard Building Code, which is promulgated by the Department of Community Affairs (see NJSA 52:27C–54 and 56).

The area which Assembly Bill No. 484 does propose to regulate, which is not the subject of comprehensive existing regulations, is the construction and maintenance of public buildings. Even in this area, some standards exist. The State Board of Education, for instance, establishes construction standards for schools and school districts (NJS 18A:18–1 *et seq.*). The Department of Higher Education has some related functions in the area of State and county

colleges. The Department of Institutions and Agencies inspects, licenses, and regulates hospitals. Nonetheless, this regulation is fragmented and uncoordinated in at least the area of the use of glazing materials. Assembly Bill No. 484 provides the possibility of some coherence in this field.

However, there appears to be no logical reason why the promulgation of safety standards for public buildings should be limited to solely the use of glazing materials. In fact, public employees should be entitled to the same protection and safeguards as are afforded private employees. Since 1965, under my Executive Order No. 20, State employees have been afforded such protection. This Order should be strengthened, made into law, and the same benefits expanded to all public employees. I would therefore support an amendment to the Worker Health and Safety Act (P.L. 1965, c. 154), bringing public buildings under its safeguards. Such an amendment should, of course, allow for the promulgation of higher or specialized safety standards not in conflict with basic minima by State regulatory and supervisory bodies in the areas of health and education. Assembly Bill No. 484, however, is piecemeal legislation giving an appearance of comprehensiveness that is totally illusory. As it now reads, it is unworkable because it neither fits into the present pattern of legislation nor makes the pattern more rational.

I would also note another substantial defect in Assembly Bill No. 484, the penalty imposed on the sale of non-conforming glass. The vendor or manufacturer can hardly be expected to know what the final use of his product will be, unless he is also responsible for the use and installation of the glass. The possibility of any penalty where either manufacture or sale has been in good faith should be removed.

Therefore, I must return this bill without my approval and respectfully urge adoption of the amendments I have suggested.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 545

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 545, without my approval.

This bill supplements the Emergency School Building Aid Law by the addition of more specific procedures whereby school districts may establish their eligibility for such aid. On July 3, 1969 I approved Assembly Bill No. 1051 (1969) which thus became Chapter 136 of the Laws of 1969. Chapter 136 contains more appropriate procedural supplements to the Emergency School Building Aid Law, thus obviating the necessity for this legislation.

Accordingly, I herewith return Assembly Bill No. 545, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 559

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 559, without my approval.

Assembly Bill No. 559 would authorize any county agency to give preference in its purchases to "products manufac-

tured, grown or processed'' in the county and to businesses based in the county. The legislation states such preference shall only be given when ''not adverse to the best interests of the county''.

In effect, Assembly Bill No. 559 would allow any county agency to disregard the lowest bid for the doing of work or the furnishing of any materials, supplies or labor and award a public contract to a county-based business in preference to the low bidder. In doing this, it disregards the underlying purposes of public bidding.

> The philosophy and purposes of the statutes respecting [public] contracts have been enunciated . . . upon numerous occasions. The law is well settled that economy must be secured and fraud, favoritism and extravagance prevented to the end that all bidders will be on the same basis in matters material to the [proposed] action. *Waszen v. Atlantic City,* 1 N.J. 273, 283 (1949).

The limitation of the bill that a preference for county products be ''not adverse to the best interests of the county'' can only be characterized as ''window-dressing''.

This is not to say that government should not strive to improve the economic conditions of our counties and municipalities. We should, however, be fully aware of the cost of such programs, a cost that will not be readily apparent if hidden behind a ''preference'' given in purchasing. We have recently enacted legislation creating an Urban Loan Authority to foster the development of our more depressed areas (P.L. 1969, c. 202). We also have an active program of economic development in the New Jersey Area Redevelopment Authority created by P.L. 1962, c. 204. These programs have the virtue of effectiveness and accountability to the public.

The only likely result of Assembly Bill No. 559 is that the taxpayers of any county granting the preferences authorized will pay more for the goods and services which county government consumes. There are enough factors which raise the cost of government automatically without making it possible that the cost of government should rise without any corresponding benefit to the public.

Moreover, Assembly Bill No. 559 is subject to the challenge of unconstitutionality under the Commerce Clause of the United States Constitution [U.S. Const., Art. I, Sec.

VIII, cl. 3; see *Brimmer v. Rebman,* 138 U.S. 82 (1891)]. In giving a preference for a county-grown product, the county is clearly discriminating against not only products from other counties, but also products traveling in interstate commerce from other states. Indeed, there is a question whether such preference would not violate the General Agreement on Trade and Tariffs (GATT), an international treaty of which the United States is a signatory.

Under the circumstances, I am constrained to return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

ASSEMBLY BILL NO. 571

To the General Assembly:

I herewith return Assembly Bill No. 571, without my approval, for the following reasons:

Assembly Bill No. 571 would, for all practical purposes, destroy the "point system" presently implemented by the Division of Motor Vehicles for the purpose of controlling drivers who repeatedly violate the traffic laws. If approved by me, the bill would require the Director of the Division of Motor Vehicles to issue a special "commercial driver's license" to a "commercial driver" who had accumulated 12 points. This special "commercial driver's license" would only be valid for use ". . . during the course of the holder's employment and in going to and returning therefrom." The bill would prohibit the revocation or suspension of the driving privileges of a "commercial driver" until such a person accumulates 18 or more points within a period of three years.

Assembly Bill No. 571 is practically identical to Assembly Bill No. 216 (1968), which I also returned to the Legis-

lature without my approval. My decision to withhold my approval of A-216 (1968) was predicated upon my conclusion that A-216 (1968) was not only improper when considered on its merits, but would also result in consequences probably unintended by its author. I draw today the same conclusion, for the reasons set out below, with respect to Assembly Bill No. 751 (1969).

As I noted in my veto message concerning A-216 (1968), "The 'point system' has provided a reasonable system for warning, retraining, and—when necessary—removing from the roads those drivers who repeatedly violate traffic laws." I have previously pointed out that two very serious violations of our traffic law are required before the present 12-point limit is reached and revocation or suspension of driving privileges becomes a real possibility. Moreover, I have also noted previously that three factors tend to mitigate any serious hardship resulting from the operation of the present point system. First, each driver receives a warning notice whenever his point accumulation reaches a stage where one more offense would put him over the limit. Second, each driver reaching the present 12-point limit is granted the option of attending a driver improvement course rather than facing possible license suspension. Third, each driver who reaches the limit is also entitled to a hearing before the Division of Motor Vehicles prior to imposition of suspension or revocation. It was and still is my conclusion that "We ought to be strengthening, not weakening, our regulation of such unsafe drivers."

Just as was its precursor, Assembly Bill No. 571 is drawn in such a manner that it will result in presumably unintended consequences. I repeat today with respect to A-571 (1969) my earlier comments on A-216 (1968):

> "Equally impossible would be any degree of effective enforcement of the supposed limitations on the use of the special license authorized under this bill. Police could not reasonably be expected to investigate and determine whether every driver with such a special license was actually driving only in the course of his employment or on the way to or from work. Such an investigation could be anticipated only if the driver were involved in an accident or serious traffic violation —and then the damage would probably already have been done. The temptation for abuse of such a special license would be very great and the difficulties of enforcement nearly insurmountable.

"The bill, if it were to be given effect, would have to be construed as incorporating into statute the terms of the present administrative regulation governing the point system. If the Director of the Division of Motor Vehicles retained authority to alter the point values assigned to various offenses, then this bill could be negated merely by administrative regulation. To modify or reform the point system through legislation would require a much more thorough and carefully-drafted bill than this one.

"The ultimate consequence of this bill, because of its many unworkable or unenforceable features, would be to destroy any "point system" at all. The Point System Regulation would have to be rescinded. The Director of Motor Vehicles would retain authority under N.J.S.A. 39:5–30 to suspend licenses for any single offense, but any systematic method of weighting the seriousness of various types of offenses would run afoul of the unworkable limitations of this bill. The result would necessarily have to be the disregarding of persistent patterns of traffic violations on the one hand, with more drastic action being taken on the basis of individual offenses on the other hand. Such a system would be both less effective and less fair."

These conclusions are still valid even though A-571 (1969), in an attempt to meet one of the many objections I noted with respect to A-216 (1968), has narrowed somewhat the class of persons eligible for the special "commercial driver's license."

There can be no doubt that since driver violations of law are "the single greatest contributing factor to traffic accidents," everything possible must be done to control and hopefully reduce the incidence of driver violations. Our "point system" as it presently operates is one of the most sure—yet fair—methods devised to control driver violations of law. Its effectiveness should not be vitiated by measures such as Assembly Bill No. 571.

I therefore return Assembly Bill No. 571 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 614

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 614, without my approval.

Assembly Bill No. 614 seeks to exclude from the licensing and registration requirements for X-ray technicians those persons "engaged by a licensed dentist" who take dental radiographs under his supervision. As amended, it also removes the present member of the X-ray Technician Board of Examiners who is required to be a dentist.

The consensus among radiation protection experts is that dental technicians should be included among those requiring certification and all it implies with respect to training and performance standards. Studies performed by the United States Public Health Service during the year 1964 show that 227 million dental radiographs were taken, as compared with 232 milion medical radiographs. If dental technicians are excluded by Assembly Bill No. 614, in effect, almost one-half of all of the X-rays taken in New Jersey would be taken by unlicensed and untrained individuals.

It is clear that dental radiographs are limited in terms of both exposure in time and body area. They are also performed rather routinely. However, present law recognizes this distinction and does not impose unreasonable requirements. Whereas full-fledged X-ray technicians must complete a two-year course in an X-ray technology school for full certification, limited certification is provided for by law (NJSA 45:25–9). This limited certification imposes only the reasonable requirement of an eight-hour basic course.

The reasonableness of this requirement is evident in light of the language of Assembly Bill No. 614, which would exclude any person "engaged" by a dentist. I would assume that this would not only include relatively well-trained dental technicians, but also a dentist's secretary or receptionist.

It is certainly not excessive to ask that such persons be both licensed and trained.

In sum, I do not feel that this is an onerous burden in light of the need to protect the public from the dangerous and harmful effects of radioactive overdoses. I must therefore return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 685

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 685 without my approval for the following reasons:

Assembly Bill No. 685 would require that all conveyances of land administered by the Department of Conservation & Economic Development be authorized by law and be approved by the Governor and Legislature. "Conveyances" is defined to include any sale or lease in excess of 10 years or any exchange of land, water or air rights, or any interest therein belonging to the State of New Jersey which has a market value in excess of $10,000.

A-685 singles out, without explanation, one principal state department for this extraordinary procedure even though all sixteen departments presently have the authority to dispose of surplus state property interests which they administer subject to the approval of the State House Commission.

> "The head or principal executive of any state department, with the written approval of the Governor, is hereby authorized to sell and convey all or any part of

the State's interest in any real property and the improvements thereon held by the department or to grant an easement in or across such property if he shall find that his department does not require such property or interest for any public purpose and that such sale is in the best interests of the state or that a grant of such easement is in the best interests of the State. The sale or grant shall be upon such terms and conditions as the State House Commission shall determine to be in the best interests of the State and shall be by public auction to the highest bidder unless the commission shall otherwise direct. The proceeds from the sale of any property or interest in property sold pursuant to the provisions of this section or from the grant of an easement shall be paid into the general treasury of the State." (P.L. 1962, c. 220, § 1.)

The State House Commission, composed of the Governor, Treasurer, Comptroller, two Senators and two Assemblymen, represents the views and experiences of both the Legislature and the Administration and requires detailed documentation of both the surplus nature of the property and its market value prior to approval of any sale. Contrary to the careful procedures now followed by the State House Commission, A-685 establishes no criteria or prerequisites to govern the Legislature's approval. Thus, enactment of A-685 will inevitably lead to arbitrary grants and denials which may not be in the best interests of the State. Even a finding that the subject property is surplus is not a precondition for consideration under the terms of A-685.

The Legislature serving New Jersey in the years ahead will face increasingly complex issues which must be resolved. They cannot be required to cease their legitimate labors to perform the totally inappropriate function of thoroughly reviewing any considered conveyance of state land. The scope and number of conveyances which would, of necessity, require individualized legislative action should A-685 be enacted would involve property transactions now administered by the Division of Fish and Game, the Division of Parks, Forestry and Recreation, Green Acres, and the Division of Resource Development including all riparian grants. It has not been documented or even alleged that present procedures regulating these particular programs are inadequate to protect the interests of the State of New Jersey in disposing of its property.

In the absence of such challenges and in the presence of the unrealistic provisions of A-685, I return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 671

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 671, without my approval.

Assembly Bill No. 671 authorizes the collector of taxes to certify and pay over to the treasurer of the municipality any monies collected by him on the tenth business day of each month rather than the first day, as is presently the law.

Although this is apparently a small change, which is primarily intended to allow the collector additional time to verify the accounts and correct any errors, it is potentially a rather expensive one. If a municipality is operating an aggressive investment program, the ten-day delay in the receipt of taxes collected will mean a ten-day loss of interest and dividends. For instance, if a municipality were to receive $1 million, a delay of ten days would mean a loss of $1,670 in potential interest at the conservative rate of 6%. In our larger municipalities the loss would be proportionately greater. On the other hand, if the municipality is short on cash, a ten-day delay in the receipt of revenues might require borrowing, a very expensive proposition at this point in time.

On balance, therefore, I believe that the small gain in accuracy and processing time allowed by this bill is far outweighed by its potential cost to local government.

I therefore must return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 738

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 738, without my approval.

Assembly Bill No. 738 increases the term of mayor and councilman or alderman from two to four years in cities of the second class with populations between 35,000 and 40,000 persons, except such cities located in counties of the first class with populations in excess of 500,000 persons. The population is to be determined by the 1960 Federal census. The terms of such officials now in office are not extended, the bill having only a prospective effect.

Whatever the merits of increasing the term of mayor and council from two to four years—and I believe they are substantial if government is to be conducted by experienced officials—Assembly Bill No. 738 must fall as being in violation of several constitutional restrictions.

It is patently special legislation in violation of N.J. Const., Art. IV, Sec. VII, Par. 9(5) and (13). The general classification of cities of the second class includes all cities with populations between 12,000 and 150,000 persons not bordering on the Atlantic Ocean (R.S. 40:167–2). The county in which they are located is not relevant to the classification by

population. Nonetheless, Assembly Bill No. 738 excludes cities of the second class located in counties of the first class with populations in excess of 500,000. Counties of the first class, however, consist of counties with populations in excess of 600,000 (R.S. 40:17–2) (Essex, Hudson and Bergen). There is no apparent reason why all cities of the second class, whatever their population and wherever located, should not be included in this action. The vice of special laws "is that they do not embrace all the class to which they are naturally related; they create preference and establish inequalities; they apply to persons, things or places possessed of certain qualities or situations, and exclude from their effect, other persons, things or places which are not dissimilar in these respects", *Van Riper v. Parsons,* 40 N.J.L. 1, 9 (Sup. Ct. 1878). See, *Alfred Vail Mutual Assoc. v. Halpin* (App. Div. Docket No. A-555-68, dec'd. December 2, 1969).

The provision in Assembly Bill No. 738 which requires that population be established as of the 1960 census is also in violation of the prohibition of special legislation, *Bennett v. Trenton,* 55 N.J.L. 72 (1892).

Finally, it is not apparent from the terms of the bill whether it is an amendment or a supplement to those provisions of the statutory law relating to the terms of mayors and councilman in cities of the second class (NJSA 40:171–11 to 19). In either case, it would appear that Assembly Bill No. 738 must fail. As a supplement, it does not contain sufficient substance to stand alone. As an amendment, it fails to set out the language of those sections of the law it purports to amend, N.J. Const., Art. IV, Sec. VII, Par. 5; *Kline v. New Jersey Racing Commission,* 38 N.J. 418 (1963).

Under the circumstances, I can only return the bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
April 21, 1969.

ASSEMBLY BILL No. 743

To the General Assembly:

I herewith return Assembly Bill No. 743, without my approval. This bill would allow school districts to delay the issuance of permanent bonds by refinancing temporary notes for a period of up to five years, instead of the present three. For reasons set out in my statement rejecting the identical bill in 1968, a copy of my statement on the then A-302 is attached, I am vetoing this bill today.

However, I am today signing two bills which authorize both school districts and municipalities flexibility in permanent refinancing, Assembly Bill No. 816 and Assembly Bill No. 817, in the manner suggested in my message on A-302 of 1968.

It is my considered opinion that Assembly Bill No. 816 and Assembly Bill No. 817 provide the necessary safeguards to prevent unnecessary and careless speculation in the money markets.

Assembly Bill No. 743, however, provides none of these safeguards, and furthermore, it is inconsistent with the provisions of Assembly Bill No. 816 and Assembly Bill No. 817. If all three bills were to be signed, unnecessary confusion would result.

For these reasons, I am constrained to return this measure, without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 7, 1969.

ASSEMBLY BILL NO. 302

STATEMENT

I am filing Assembly Bill No. 302(1968) in the State Library without my approval.

Under the provisions of Article V, Section I, paragraph 14(b) of the Constitution, this bill does not become a law if it is not signed within the 45-day period, Sundays excepted, following the adjournment sine die of the Legislature. In these circumstances there is no provision for a veto but I deem it to be in the public interest to state my reasons for deciding not to sign this bill.

Assembly Bill No. 302(1968) would extend to 5 years the present 3-year limit on temporary financing by a school district in anticipation of the issuance of permanent bonds. It would require that if the temporary financing is renewed beyond 3 years, then an amount of such temporary obligations equal to the first legally payable installment of the bonds in anticipation of which the temporary obligations were issued must be paid and retired in each subsequent year.

Experts in public debt management overwhelmingly believe that further extension of temporary financing would be a regrettable step backward. During the early 1930's when temporary financing by municipalities was permitted for a 5-year period, many municipalities found they could not permanently fund short term paper and numerous defaults resulted. The corrective legislation which was thereafter enacted included reduced limits on the periods for which school districts and municipalities coud engage in temporary financing.

Historically, school districts have always tended to take the maximum period allowed by statute for temporary financing. If school districts were permitted to extend the present 3-year period to 5 years, and municipalities were permitted—as proposed by Assembly Bill No. 650(1968)—to increase from 2 years to 5 years of temporary financing,

the resulting increase in the supply of temporary paper would tend to increase still further the interest rates on these temporary obligations.

The only valid reason for extension of the period for temporary financing would be an assumption that lower interest rates will become available for the permanent bond issues during the extended period. The bond market currently is very unfavorable and rates of interest are high. But there is no assurance that conditions will improve during the next two years. Indeed, the possibility of changes in federal tax laws which would have the effect of removing some of the advantages of tax-exempt bonds could make the market for such bonds even less attractive two years from now. In 1966, a similar proposal for extension of temporary school district financing from 3 to 5 years received strong support from some who hoped that the then high rates of interest woud drop during the next 2 years. Instead, the trend of rising rates continued. If a 2-year extension had been enacted in 1966, those school districts which took advantage of the extension would have faced even higher costs in 1968. The estimated increased cost which would probably have resulted would have run as high as an additional $2,126,250 on one Jersey City school bond issue of $15,000,000.

If there were indications that the bond market is likely to improve within the next year or two, I would certainly consider a *temporary* extension for those districts where the 3 year limitation is about to expire. Unfortunately, however, such encouraging signs are not now in sight. In no event do I believe that a *permanent* change from a 3 to a 5-year period would be justified.

However, I would look favorably on some more minor adjustments in the limitations on temporary financing. One such change would be to provide that the 3-year period would not begin to run until a certain percentage, such as 5 per cent, of the total amount of the bond issue had been borrowed through temporary financing. At present, the first monies borrowed trigger the 3-year limit even though in many cases the first notes represent only a small fraction of the total amount. For instance, in a $3 million bond issue the first short term borrowing might be only $100,000 for architect fees, land acquisition, etc. A formula could be devised whereby a certain percentage of the total amount would have to be borrowed in order to start the running of

the present 3-year limitation. This would result in an extension of short-term financing under certain limited conditions.

My staff and I stand ready to cooperate fully with the Legislature in devising reasonable adjustments of this sort. However, I am convinced that the blanket extension of temporary financing which would be allowed by this bill and by Assembly Bill No. 650(1968) would not be in the public interest.

/s/ RICHARD J. HUGHES,
Governor.

Dated: March 7, 1969.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 753

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 753, without my approval.

Assembly Bill No. 753 exempts from the provision prohibiting a commissioner of a municipal parking authority from being an officer or employee of the county or municipality creating the authority, any commissioner wishing to serve as an officer or employee of a municipality with a population of less than 10,000 persons.

There is a well established tradition in the common law, which is incorporated in NJSA 40:11A–5, prohibiting dual office-holding by public officials. The policy is adopted because it is felt that when an employee serves two masters, he can serve neither well. This is especially true when there are instances in which two agencies, albeit both public agencies, can have conflicting interests and duties, see *Reilly v. Ozzard,* 33 N.J. 529 (1960). While it is certainly within the power of the Legislature to authorize changes in both the statutory and common law, there is a wisdom reflected in this policy which should not lightly be abandoned.

The fact that Assembly Bill No. 753 would apply only to municipalities with populations of less than 10,000 persons makes it more persuasive than would ordinarily be the case. With 567 municipalities, New Jersey often has communities with limited populations drawing on a limited pool of available public-minded citizens willing to serve in public office. Nonetheless, the particular type of authority created is one which, in the past, has resulted in the negotiation between municipality and authority of important agreements. In particular, a municipality may appropriate funds for the support of a parking authority in certain limited circumstances. Too close a relationship between municipality and authority has, in the past, resulted in contracts between municipality and authority which have exceeded statutory authorization and not been in the best interest of the municipality, *DeLorenzo v. Hackensack*, 9 N.J. 378 (1952). I would therefore certainly advise caution in breaching the policy of NJSA 40:11A–5.

However one may decide the questions of policy, there is a substantial problem with the bill in terms of meeting the constitutional requirements of N.J. Const., Art. IV, Sec. VII, Par. 5. Despite the fact that Assembly Bill No. 753 styles itself a supplement, it is clearly an amendment to NJSA 40:11A–5. As such, it fails to set out the language of the section to be amended, as is required by that provision of the Constitution, *Board of Fire Commissioners v. City of Trenton*, 53 N.J.L. 566 (Sup. Ct. 1891).

I am therefore constrained to return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,

Attest: *Governor.*

/s/ ALAN J. KARCHER,

Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 767

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 767, without my approval.

Assembly Bill No. 767 is perhaps the most far-reaching measure to be enacted by the Legislature this year. Nonetheless, it was the subject of no public hearing, no committee report accompanies it, and there are numerous misconceptions as to its effect, intent and purpose. I am returning the bill today not because I disagree with its scope or impact, but because I feel that a measure as fundamental as this requires the closest legislative and executive analysis.

The proposed "County and Municipal Revenue Bond Law" incorporated in Assembly Bill No. 767 would authorize any county or municipality to issue revenue bonds. These bonds, unlike general obligation bonds, which are secured by the full taxing power of the issuing jurisdiction, would be secured primarily by revenues from public facilities constructed with the money borrowed. These revenue bonds would not be charged against the debt limit of the municipality; would not be subject to voter approval by referendum; could be used to build or operate any capital project which could presently be undertaken by a county or municipality; and would be totally outside the regulatory framework imposed by the State on general obligation bonds. Although any project under the bill would theoretically be self-liquidating, counties and municipalities would be authorized to enter into a contract or agreement with bondholders for the purpose of making appropriations in support of any project.

The statement appended to the bill indicates that one major purpose of the measure is to provide local government with added flexibility in securing needed funds for capital construction. Although Assembly Bill No. 767 itself imposes no limitations on the creation of independent county and municipal authorities, it, in effect, recognizes that it creates a competing alternative to authorities. This alternative would have the advantage, indicated by the statement, that it would be "under the direct control of elected governing bodies."

I.

In fact, the history of the growth of revenue bonds, general obligation financing and authorities is inseparable. Both revenue bonds and autonomous authorities grow out of the need felt by local officials to avoid the restrictions imposed on the issuance of general obligation bonds. General obligation bonds have been the subject of strict

regulation as a result of both the solemnity of the pledge made to bondholders and the experiences of the Depression. Most of our citizens are not aware of the fact that during the 1930's a number of our municipalities actually went bankrupt. Five of them still remain under the supervision of the Municipal Finance Commission and have never recovered their previous financial status. The depression of the 1930's showed only that we had not learned the lesson of fiscal restraint well enough, because the same crisis occurred much earlier in the 1860's. Even at that time the debt of Jersey City reached 25% of its total assessed valuation; the debt of Elizabeth was 50% [see P. Studensky, *Public Borrowing* (1930)]. These things occurred at a time when borrowing costs were far less than they are today. In 1937, the average yield of high-grade long-term local bonds was 2.52%. Thus, even when it was easier to refund and salvage a bad debt situation, some of our municipalities had overstepped the bounds of reasonable borrowing.

As a result, New Jersey imposed some sound, and at the time progressive, restrictions on local debt. P.L. 1917, c. 154 gave the State Auditor certain powers with regard to the creation and supervision of sinking funds used to liquidate municipal borrowing. Supervision over county and municipal school budgets was also established. A Municipal Finance Commission was created in order to maintain the solvency to provide supervision over municipalities in financial distress (P.L. 1931, c. 340). At the core of these restrictions were limitations on the amount municipalities could borrow, the purposes for which borrowing was authorized, restrictions on the duration of the debt, and an affirmative sense of the role of the State as a protector of both the taxpayer and the public interest (N.J.S.A. 52:27–1 *et seq.*). The role of the State was re-asserted in the Local Government Supervision Act of 1947 (P.L. 1947, c. 151; C. 52:27BB–1 *et seq.*). The soundness of the substantial fiscal restrictions was reaffirmed as lately as 1960 by P. L. 1960, c. 169, which revised those portions of the law relating to municipal finance in general. The Title 40A Revision Commission stated at that time:

> The Local Bond Law was enacted in 1935 as a general revision of the Pierson Bond Act of 1916. It was, in 1935, and is to some extent today, the leader in those state-wide general municipal bonding control laws which have done so much to make the general obligation

bonds of municipalities prime investments acceptable in all financial markets.

. . . During the . . . years since its enactment, the Local Bond Law emerged as a model for the so-called "model bond law" recommended for consideration by other states. Because the present law is an essentially sound law, the Commission acted cautiously in providing for changes.

Assembly Bill No. 767 represents an extension of a long history of efforts to avoid the restrictions of the law that the Commission considered "sound".

The other instrument that has been used in New Jersey to avoid the limitations of Title 40A has been the autonomous county or municipal authority. New Jersey pioneered in the use of such revenue bond authorities at the turn of the century when it created the Passaic Valley Sewerage District (P.L. 1902, c. 48). In 1938, New Jersey had broken the ice with the creation of local housing authorities. However, the real push toward the creation of authorities came in the post-World War II period, as the capital needs of New Jersey burst loose from the restraints of war time. After the war, authorities came forward in a torrent. First municipal sewerage authorities (1946), then parking, port, incinerator and county sewerage authorities in 1948. In 1949, redevelopment agencies were created for urban renewal; and since 1957, municipal utilities (1957); county improvement (1960); municipal port (1960); seaquarium (1964) and recreation (1967) authorities have been created. All of these authorities had the "virtue" of avoiding the restrictions of Title 40A and the requirements of voter consent to their actions.

These authorities were created for a number of reasons. A New York legislative commission studied the question of why authorities had increased so greatly in that State. It listed six major reasons. First, authorities allow the financing of public improvements without resort to additional taxes. Second, they impose the burden of paying for services on its users and not on the general taxpaying public. Third, statutory and other debt limitations are avoided. Fourth, authorities can extend beyond municipal boundaries. Fifth, it removes the administration of public revenue-producing enterprises from the direct control of politically responsible officers. Sixth, it provides the

opportunity to hire better professional management outside the limitations of patronage and Civil Service. See Staff Report, Temporary Commission on Coordination on State Activities, *Public Authorities under New York State* (1956).

Needless to say, some of these virtues can also be counted as defects. Precisely because authorities are autonomous and free of control of politically responsible officials, they have often been unresponsive to public needs.

The virtue of Assembly Bill No. 767 is that it removes this necessity to create unresponsive agencies to administer public objectives. It, therefore, meets the need to have a means of capital construction which is responsive to an electorate.

II.

The question then becomes whether revenue bonds are a preferable means of financing capital construction. In other words, there is no question that it is preferable to have the local government responsible to the electorate making the decisions that affect the lives of the community, but once one has accepted that statement, it does not necessarily follow that revenue bonds are preferable to general obligation bonds. On balance, those virtues which the New York legislative commission found to be applicable to authorities are, in fact, also applicable to revenue bonds, so part of the answer lies in those advantages.

The disadvantages of revenue bonds have been concisely summarized by a study made for the Brookings Institution. They are more expensive, riskier, and limit local government flexibility. In the following quotation, the author, James A. Maxwell, refers to revenue bonds as "non-guaranteed bonds" and general obligation bonds as "full faith and credit bonds".

> The interest rate on nonguaranteed bonds has been 0.5-0.6 percent higher than that on full faith and credit bonds. An increase of 0.5 percent in the interest rate of a 30-year level-payment serial bond raises aggregate interest cost by 19 percent. In practice, non-guaranteed bonds are issued for a longer time period than most general obligation bonds because of a desire to provide "a safe margin for coverage of costs and debt charges." Extension of maturity tends to increase the rate of interest that must be paid. Moreover, nonguaranteed

> bonds, like earmarked revenues, require that a slice of revenue be set aside for particular purposes. For both of these reasons the bond limit the future budgetary freedom of borrowing governments more than do full faith and credit bonds. Another fault is that they bias the use of resources by state and local governments toward purposes for which the device is readily applicable.
>
> The most serious present danger arises because nonguaranteed bonds are used extensively for purposes that are not selffinancing and which, therefore, burden the budgets of state and local governments. If these purposes are public, and if they should be financed by borrowing, issuance of full faith and credit debt is superior in all respects to the issuance of revenue bonds. By concealing or obscuring what state and local governments are doing, the use of nonguaranteed bonds stimulates imprudent practices. And if even a modest volume of these bonds should default, all state and local credit would be adversely affected.
>
> The rapid growth of nonguaranteed debt has its ironical features. In some measure, the technique of nonguarantee aims at avoiding constitutional or statutory limitations on borrowing. Thus as effort to protect state and local governments against the dangers of borrowing has induced growth of a type of debt which is more dangerous than the debt which was restricted. J. A. Maxwell, *Financing State and Local Governments* at 204-205 (1965).

These are comments that are not likely disregarded. If we are to embark on a course of financing capital construction through revenue bonds, then we should at least be sure that all of the problems raised by Maxwell are resolved to our satisfaction.

There is another area of concern which Maxwell does not touch upon since his viewpoint is that of an economist. The lawyer, however, must be concerned with the fact that revenue bonds require a county or a municipality to enter into a great many restrictive covenants, contracts and agreements. All of these are, of course, binding on the county or municipality under both the Federal and State constitutions. Some of these agreements and covenants severely hamper the ability of a community to govern its own affairs. It is one thing for an autonomous sewer au-

thority to pledge its revenues, its facilities, and restrict its future activities in the area within its jurisdiction; it is quite another for a government which is responsible for all of the concerns of local government to submit to the same restrictions. Similarly, it is one thing for the standard bond covenant to recite the right of bondholders to appoint a trustee to come in and manage the affairs of an authority whose business is the operation and construction of sewers. It is quite another thing again for those same trustees to enter deeply into the management of a county or municipality which, in theory, is to be responsive to the electorate, not the bondholders.

It is no comfort that the right created in Assembly Bill No. 767 to enter into these contracts is discretionary. A tight money market creates a seller's market for lenders in which representatives of bondholders seek the most secure investment they can find. An example of this is Assembly Bill No. 1120, which I am also returning today without my approval. Through these contracts the theoretically self-liquidating bond becomes covertly an obligation of the municipality or county as solemn and binding as any general obligation bond issued under Title 40A of the New Jersey Statutes.

III.

Given these facts, the question then remains is revenue bond financing, as proposed by Assembly Bill No. 767, needed? The answer turns on two questions. First, is it possible to use general obligation bonds with fewer restrictions and to better advantage? Second, if revenue bonds are needed, under what safeguards must they be issued? The two questions are related, in that the same concern for the good credit of the State underlies both.

The Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes) contains numerous restrictions which are not incorporated in Assembly Bill No. 767. Perhaps the most important one is contained in another section of Title 40. NJSA 40:49–27 allows 10% of the voters of any municipality to force a referendum on any general obligation bond issue. No such referendum is required for an issue of revenue bonds under Assembly Bill No. 767, as is of course the case when authorities issue revenue bonds. This limitation on the power of municipalities to issue bonds is fundamental. To the degree that revenue bonds are "secured"

by contracts and agreements pleding appropriations by the municipality, then it would appear that the same policy which requires voter approval for general obligation bonds should also require it for such "secured" revenue bonds. What remains to be determined is whether voter approval remains a sound policy for either type of issue. It would appear to me that at least some from of electoral control is advisable, although the present form may not be the best possible.

The second most significant restriction imposed on general obligation bonds is the debt limit. Under the terms of NJS 40A:2–6, the net debt of a county may not exceed 2.0% of its assessed valuation, while that of a municipality may not exceed 3.5%. This limit does not include the school bonds of independent districts or self-liquidating bonds issued by municipal utilities (NJS 40A:2–44). Provision is also made for a waiver of the debt ceiling upon a filing by the Local Finance Board that such a waiver is warranted. Assembly Bill No. 767 provides no limitation on the amount of money which may be borrowed by a county or municipality. Since by covenant and agreement, a county or municipality may be bound to subsidize a revenue-bond facility, again the policy of the present bond law is abandoned. But if it should be abandoned, perhaps it should be abandoned for general obligation bonds as well.

Other restrictions are more technical, but in many respects equally important. For instance, Title 40A currently requires that bonds not exceed the "usable life" of the facility to be constructed (NJS 40A:2–22). While this restriction is certainly important for general obligation bonds, it is even more important for revenue bonds, since if the life of the facility does not extend for the duration of the bond issue, there will be no revenues from which to retire the bonds. Other extensive restrictions are placed on refunding bonds, i.e., an extension of the debt, incorporated in 40A:2–51 to 60. Almost no restriction is placed on refunding programs by Section 3 of Assembly Bill No. 767.

Finally, and most importantly, Assembly Bill No. 767 allows revenue bonds to be issued for any purpose for which general obligation bonds may be issued. This is clearly too broad a delegation of power to our counties and municipalities, since there is no requirement that the facility be self-sustaining and self-liquidating (Section 6 of Assembly Bill No. 767). For instance, bonds may be issued for the con-

struction of streets, public buildings and the purchase of parks. Are we to charge tolls for the use of these public facilities?

If we are, this constitutes a serious departure from one of the basic functions of government—to provide public goods to the public-at-large with no charge other than mere residence in a community.

I raise these questions not because I am positive of the answers, but because if the policies that underlie the restrictions presently in our bond law are no longer valid, they should be changed, not circumvented. If they are sound policies, then Assembly Bill No. 767 should be amended to incorporate them.

IV.

I must, therefore, join with the League of Municipalities and the New Jersey Taxpayers Association in calling for a more thorough and comprehensive review not only of the terms of Assembly Bill No. 767, but also of the entire capital financing structure of local government. There are numerous questions that must be asked and answered before we can undertake a reform as fundamental as that proposed by Assembly Bill No. 767. There are new elements which must be considered. Senate Bill No. 780, for instance, provides a constructive new approach to reducing the cost of local government borrowing through the "bulk purchasing" of money. Moreover, the gratifying increase in state aid to local government also raises the question, not present when the concepts of Title 40A were first developed, of whether state aid based on statutory formulae should be included in the revenue base of the municipality for purposes of computing its debt limit.

It appears to me that the most promising avenue of inquiry lies in the "municipal utility" concept. First utilized in 1911 and then given expanded powers in 1917 and 1929, municipal public utilities represent a sensible approach to the complex issues raised by Assembly Bill No. 767. Municipalities may operate such utilities to provide power, transportation, water and sewerage treatment, airports and entertainment, in the form of radio stations. The facilities of municipal public utilities are financed through user charges, but these charges in certain cases are subject to the jurisdiction of the Public Utilities Commission. The mu-

nicipal utility itself constitutes a part of the municipality. Unfortunately, no similar provision is made for counties.

Construction of facilities for municipal public utilities is paid for through the issuance of general obligation bonds. These bonds are subject to the same electoral restrictions as other general obligation bonds. However, as long as they are, in fact, self-liquidating, they are excluded from the debt limit of the municipality. It would, therefore, appear that facilities constructed in the manner of municipal public utilities meet many of the objections to financing requirements raised by the advocates of measures such as Assembly Bill No. 767, while, at the same time, providing both the lower borrowing costs and the greater electoral responsiveness of general obligation bonds.

There is no doubt that chapter 62 of Title 40 which provides for the operation of municipal public utilities is an antiquated law in need of thorough revision. It suffers, for instance, from the same weakness as Assembly Bill No. 767, in that it provides no clear administrative mechanism. In some cases, independent commissioners are appointed while in others, the utility could be operated as a department of municipal government. Nonetheless, the basis for sounder and less expensive capital construction is present in the concept of the municipal public utility.

I would, therefore, urge that the terms of not only Assembly Bill No. 767, but the other measures I have discussed, be thoroughly investigated by a competent joint executive-legislative commission, well staffed and well financed. There is no parallel to the State Tax Policy Commission in the area of capital finance. I would hope that my action on this bill will lead to the creation of an equally competent commission on this issue.

I stress "well financed" because government too often insists in operating a multi-billion dollar enterprise as if it were a corner grocery store. Little money is made available for thorough research and development of the tools of government. No tool is more fundamental than the ability of government to meet the needs of its citizens than debt financing. Yet, there are few areas which have been so poorly researched and analyzed.

V.

I must note briefly in passing that there is a considerable misunderstanding in some parts of our State as to the

purpose and effect of Assembly Bill No. 767. It has been represented by some as a measure to allow the construction of a municipal swimming pool. It is true that Assembly Bill No. 767 will allow for the construction of such a swimming pool. It should be equally apparent that it allows quite a bit more.

For the reasons I have stated I must, therefore, return Assembly Bill No. 767 without my approval and with my strongest recommendation that the significant departure it represents not be neglected but be strengthened and made a sound and working component of New Jersey's fiscal structure.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 782

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 782, without my approval.

Assembly Bill No. 782 is intended to allow state and local government employees who are members of any reserve component of the Armed Forces of the United States and the Coast Guard Reserve to receive up to 90-days leave with pay for active duty for training. It is similar to Assembly Bill No. 741 (1968), which I filed in the State library without my approval last year. The basic difference is that the present bill attempts to define "active duty for training" so as to exclude the Army six-month reserve training program. This is a beneficial change.

However, the fundamental obstacle to this bill remains its considerable cost to state and local government. As I

pointed out in my message of Assembly Bill No. 741 (1968), it could conceivably cost as much as $9 million. Since no discretion is left in the hands of the public employer whether to release a Reserve member for active duty for training or not, such crucial activities as police, fire, corrections and the like—areas in which there are already severe manpower shortages—could be severely hampered.

Moreover, the bill makes it possible for a public employee to volunteer for active duty training at his convenience. Thus, a state or local employee could collect both his salary as a public employee and as a Reserve member, while taking training courses intended only for purposes of his own personal advancement in the military. Although the intention of the bill is purportedly to make available to Reservists the same rights available to members of the National Guard, it goes considerably further. While a Guardsman may voluntarily apply for training courses and receive a leave of absence with pay, regulations promulgated by the New Jersey Department of Defense require that he first secure the permission of his employer. No such requirement is present in Assembly Bill No. 782.

Finally, it must be noted that pursuant to the terms of NJSA 40:46–32, NJSA 38:23–3 and NJSA 38A:4–4, this State's public bodies are authorized to pay their employees during a leave of absence for Armed Forces obligations, if they so elect. They must pay during a leave of absence for the usual two-week summer "field training", for both Guardsman and Reservists.

Under these circumstances, I feel that the present state of the law is preferable to the changes proposed by Assembly Bill No. 782. Discretion should not be in the hands of any state or local employee to determine when, where and how he may receive a leave with pay at the taxpayers' expense.

I am therefore returning this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 811

To the General Assembly:

Assembly Bill No. 811 would prohibit the commercial collection of blood unless, immediately prior to phlebotomy, the donor is examined by a physician. The physician is to certify that, based on a physical examination and interrogation of the donor, in his judgment the donor is free of disease transmissible by blood transfusion and is neither a drug addict nor an alcoholic.

Although I appreciate the need to assure to the extent possible, the quality of blood transmitted, the imposition of any impediment to its collection must be carefully reviewed and evaluated. Accepting the premise that all donors should be examined regardless of the deterrent effect this would have on potential donors, Assembly Bill No. 811 nonetheless fails to receive my approval for two reasons:

P.L. 1963, C. 33, commonly known as the Blood Bank Licensing Act, empowers the State Department of Health to institute whatever measures may be effective in reducing transfusion associated hazards. Chapter 10 of the State Sanitary Code adopted pursuant to this law, now requires the examination of all donors under the supervision of a qualified physician. Under Chapter 10 a medical history is already obtained from each donor with any evidence of drug addiction, hepitis, or other infectious diseases specifically disqualifying any donor.

In addition to being superfluous legislation, A-811 is objectionable as it would make impossible demands of the examining physician. A-811 requires the examining physician to certify that a donor is "free of diseases . . . incited by infectious hepatitis". Quite apart from the inappropriate and ambiguous use of the word "incited" in this context, the statement to A-811 unequivocally concludes that "there is no medical way to detect hepatitis in carriers", a conclusion concurred in by state medical authorities. The certification, therefore, by any physician, of facts which at present are beyond his knowledge and ability to determine would provide no protection to recipients of blood transfusions.

Inevitably, many medical advances and developments will permit modification of existing practices and procedures in our licensed blood banks. At the point where any of these developments promises an effective protection against blood transmittable diseases, the State Sanitary Code can be amended to reflect these advances without recourse to a succession of legislative acts.

I am therefore, returning A-811 without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 841

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 841, without my approval.

Assembly Bill No. 841 would authorize the borough of Creskill to make permanent the appointment of one Michael Engel to the police department of that borough, notwithstanding that his age is greater than the maximum age established by R.S. 40:47–4. That maximum is 35 years, except for veterans. Section 1 of the bill recites that it is a special law enacted in accordance with the provisions of P.L. 1948, c. 199 (C. 1:6–10 to 20). As I pointed out in my veto message of Senate Bill No. 607 earlier this year, this is a special law which falls within the prohibitions of N.J. Const., Art. IV, Sec. VII, par. 9(5). That provision of the Constitution quite explicitly states:

> The Legislature shall not pass any private, special or local laws: . . . (5) Creating, increasing or decreasing the emoluments, term or tenure rights of any public officers or employees.

Since this bill would vest tenure rights and pension benefits on an officer or employee by means of a special act, it falls under the constitutional proscription.

I am also returning today, without my approval, four other bills intended to vest similar rights by special legislation on a public officer or employee, Assembly Bills No. 1066, 1082, 1101 and 1116.

Since the Legislature chose to enact these measures after I had vetoed two other bills on the same grounds, I feel it is proper that I elaborate further on my reasons for this veto. The New Jersey Constitution contains several proscriptions against private, special or local laws. On the whole, it presumes enactment of general laws wherever possible, see N.J. Const., Art. IV, Sec. VII, pars. 7, 8, 9 and 10. It does authorize enactment of private, special or local laws in limited cases upon public notice of the intention to apply therefor and a statement of "the general object thereof", N.J. Const., Art. IV, Sec. VII, par. 8. However, certain types of private, special or local laws are specifically prohibited. These enumerated categories of prohibited private, special or local laws total 13 and are set out in N.J. Const. Art. IV, Sec. VII, par. 9.

One of them is a prohibition of the enactment of special legislation regulating "the internal affairs of municipalities formed for local government and counties, except as otherwise in this Constitution provided." N.J. Const., Art. IV, Sec. VII, par. 9(13). In order to allow, however, for the special circumstances that arise in every municipality, the Constitution "otherwise provides" a means by which a county or municipality may petition the Legislature to enact a special, private or local law regulating its internal affairs, N.J. Const., Art. IV, Sec. VII, par. 10. The act referred to in this bill, P.L. 1948, c. 199, was intended to implement this section of the Constitution and Art. IV, Sec. VII, par. 8. See *Scott v. Bloomfield,* 94 N.J. Super 592 (1967) *aff'd.* 98 N.J. Super. 473 (1968).

My objection to Assembly Bill No. 841 and the other bills I am returning today, however, is not that they regulate the internal affairs of a municipality — for if they did only that, they would be properly enacted — but that they create, increase or decrease the "emoluments, term or tenure rights" of public officers and employees. In other words, it is not sub-paragraph 13 of Art. IV, Sec. VII, par. 9, which

is violated, but sub-paragraph 5. See *Gibbs v. Morgan,* 39 N.J. Eq. 126 (1884).

I therefore am constrained to return these bills without my approval. I once again urge the Legislature to consider whether the age requirements imposed by R.S. 40:47–4, which all five of these bills seek to avoid, is too stringent. If so, R.S. 40:47–4 should be amended and special acts such as these thus be made unnecessary.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 906

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 906, without my approval.

Assembly Bill No. 906 is a special bill which would allow the Borough of Bradley Beach to make permanent the appointment of Harry Holmes and Marvin Rosen to the police department of that borough, notwithstanding thet they exceed the statutory limitations on the maximum age for police officers. For the reasons stated in my veto message of Assembly Bill No. 841, I must conclude that this bill is in violation of N.J. Const., Art. IV, Sec. VII, par. 9(5).

Therefore, I respectfully return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 922

To the General Assembly:

I am returning herewith Assembly Bill No. 922, without my approval, for the following reasons:

Assembly Bill No. 922 would direct the State Department of Transportation to study and determine the practicability and feasibility of extending either the Garden State Parkway or the New Jersey Turnpike, or both, into the counties of Salem, Cumberland and Cape May. If approved by me, the Department would have one year within which to complete the study and to report its findings and recommendations to the Legislature.

I have decided to return Assembly Bill No. 922 to the Legislature for essentially the same reasons stated in my veto message concerning Assembly Bill No. 326 (1969), which I returned today to the Legislature without my approval. Sine A-922 (1969) appropriates no funds to underwrite the cost of the study contemplated by the bill, my approval of this bill would obligate the Department to neglect, in part, its responsibility for studying and planning toll-free public roads. Moreover, the New Jersey Highway Authority and the New Jersey Turnpike Authority have demonstrated amply their reluctance to rely upon studies which have not been made by their own staffs and consultants. These two factors—as in the case of A-326 (1969)—lead me to believe that my approval of Assembly Bill No. 922 would be wasteful of the resources of the Department of Transportation, and for little purpose.

Accordingly, I herewith return Assembly Bill No. 922 to the Legislature without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 923

To the General Assembly:

I herewith return Assembly Bill No. 923, without my approval, for the following reasons:

Assembly Bill No. 923 concerns the conduct of the primary elections which were held on June 3, 1969. A similar measure, which accomplishes the stated purpose of this bill but much more completely, has since been approved by me as Chapter 37 of the Laws of 1969. The purposes of Assembly Bill No. 923, therefore, are now set forth in the law and the bill is unnecessary.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 961

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 961, without my approval.

Assembly Bill No. 961 requires that the Department of Institutions and Agencies inform certain legislative committees of any proposed change in the basic public assistance formula at least 90 days prior to the adoption of any such change.

The bill requires a report of "any change" in the basic formula. The formula itself is incorporated in a 100-page document which must be constantly revised and updated both in detail and substance.

I perfectly understand the desire of the Legislature to be fully informed of changes which can have a substantial fiscal impact. I do feel, however, that this need is already met by the terms of the AdministrativeProcedure Act, P. L. 1968, c. 410. The Division of Public Welfare has, as a matter of practice, published notice of any intent to change its regulations in the *New Jersey Register* since the *Register's* creation. As the *Register* is published frequently and available not only to the Legislature, but to all concerned citizens, I feel that it serves the purposes of this bill without adding a new level of paperwork to an already complex process. The Legislative Budget Office can advise the Legislature of significant changes in good time to develop cost estimates and take any other appropriate action.

I, therefore, must return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
December 1, 1969.

ASSEMBLY BILL NO. 845

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 845, without my approval.

Pursuant to the provisions of P. L. 1948, c. 199, specifying the manner in which a special law shall be enacted, Assembly Bill No. 845 has passed both Houses of the Legislature. It authorizes the Borough of Longport to make permanent the appointments of two named individuals,

Joseph A. Melchionna and George F. Campbell to the police department of the borough, despite the fact that they exceed the maximum age limit. In addition, it entitles them to benefits under the Police and Firemen's Retirement System.

Article IV, Section VII, Paragraph 9, of the N. J. Constitution states:

> The Legislature shall not pass any private, special or local laws . . . (5) Creating, increasing, or decreasing the emoluments, term or tenure rights of any public officers or employees.

Assembly Bill No. 845 is a special law "creating, increasing, or decreasing the emoluments, term or tenure rights" of two named public employees. It therefore violates the provision of N. J. Const., Article IV, Section VII, Paragraph 9, Clause 5 and I must return it without my approval. *Gibbs* v. *Morgan*, 39 N.J. Eq. 126 (1884).

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 986

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. A-986 without my approval.

Assembly Bill No. 986 would amend Section 2A:164:28 of the New Jersey Statutes by providing for the expungement of arrest records of individuals acquitted or otherwise not convicted of any crime upon presentation of a verified petition to the Court. Present law provides that, in those cases where sentence was suspended on a criminal conviction or

a fine was imposed of less than $1,000, individuals so convicted or fined may petition the Court 10 years after the date of such conviction for the expungement of all evidence relating to the conviction. Under this amendment which would extend the expungement process to arrest records, no time period must pass before a petition may be entertained by the court.

A-986 establishes no criteria for the exercise of the judge's discretion in granting or denying the petition but presumably is intended to permit expungement in the full range of situations which result in an individual's being acquitted or otherwise not convicted.

A similar bill which would have permitted the expungement of criminal complaints or accusations when they were dismissed or withdrawn was passed over ten years ago. The reasoning supporting the veto of this measure remains cogent in terms of A-986:

> "... the record of dismissal is the very means by which the accused can prove that the charge was not proved; he would be ill-advised to expunge it. Second, the order would only expunge records in the court where the complaint was filed; a criminal complaint can and does generate a host of records in other places, and these would remain in existence but robbed of the official record to sustain them. Some of these records are beyond the power of the state to expunge, such as those which are sent to federal law enforcement agencies."

Unfortunately, A-986 will only compound the difficulties already found in N.J.S. 2A:164–28. Basic to the weakness of the present statute, and unchanged in the amending bill, is the lack of adequate legislative direction as to the meaning of expungement and the scope of its practical application once granted. Although our present expungement statute originated in 1931, to this date, New Jersey courts have not rendered a judicial definition of that term in application to the statute. In Formal Opinion No. 44 by the Attorney General of New Jersey issued under date of October 28, 1953, it was opined that expungement, once accomplished by court order, does not have the attributes of a full pardon. Additionally, as interpreted, expungement would not appear to constitute a legal act so as to restore the essential status of the successful petitioner, notwithstanding the wording in the statute that such person shall be relieved from such disabilities as had existed by reason of the prior conviction.

This provision thus clearly appears to warrant further study and clarification before the expungement statute is extended to even the most justified of petitions.

Any order granting a petition under the expungement process which would now be applied to arrests directs ". . . the clerk of such court to expunge from the records all evidence of said arrest or conviction. . ." In recognizing that the destruction of such court records alone provides limited relief to the petitioner, A-986 also provides that "For the purposes of subsection b (the petition process) an arrest as described herein shall not be considered an arrest for the purpose of qualifying for employment or for any other position or advancement." This language is objectionable and would fail to achieve its purpose as it seems to apply its vague relief to all petitioners under section b, even those whose petitions are denied.

In addition, A-986 is technically defective. The entire petition process is now placed under subsection by which merely relates to the arrest or non-conviction petitions. The original provision, that which dealt with conviction expungements under certain conditions, is left by A-986 with no court process to follow.

The provisions of A-986 afford no relief for the indigent where the burdens of past records is self-evident. The Public Defender is presently not empowered to represent the indigent in such petitions for relief. Until his powers are so extended, A-986 will remain a vehicle for those elements well able to pay for the destruction of any evidence against them.

I recognize that too often the stigma of once having been arrested remains with an individual even though he was falsely accused or has been demonstrably rehabilitated.

I urge therefore, as I disapprove this particular measure, that its worthy intent of protecting the innocent be preserved and that the entire expungement process be carefully studied and refined by the Criminal Law Revision Study Commission at its earliest opportunity.

I am returning Assembly Bill No. 986 to the General Assembly without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Governor.

Attest:
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 1045

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1045, without my approval.

Assembly Bill No. 1045 is a special bill which would allow the Borough of Brielle to make permanent the appointment of William T. Harvey to the police department of that borough, notwithstanding that he exceed the statutory limitations on the maximum age for police officers. For the reasons stated in my veto message of Assembly Bill No. 841, I must conclude that this bill is in violation of N.J. Const., Art. IV, Sec. VII, par. 9(5).

Therefore, I respectfully return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No 1066

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1066, without my approval.

Assembly Bill No. 1066 is a special bill which would allow the Borough of Beachwood to make permanent the appointment of Walter P. Kubiak to the police department of the

borough, notwithstanding that he exceeds the statutory limitations on the maximum age for police officers. For the reasons stated in my veto message of Assembly Bill No. 841, I must conclude that this bill is in violation of N.J. Const., Article IV, Section VII, par. 9(5).

Therefore, I respectfully return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 1082

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1082, without my approval.

Assembly Bill No. 1082 is a special bill which would allow the Borough of New Shrewsbury to make permanent the appointment of William Brown to the police department of that borough, notwithstanding that he exceeds the statutory limitations on the maximum age for police officers. For the reasons stated in my veto message of Assembly Bill No. 841, I must conclude that this bill is in violation of N. J. Const., Art. IV, Sec. VII, par. 9(5).

Therefore, I respectfully return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 1101

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1101, without my approval.

Assembly Bill No. 1101 is a special bill which would allow the Borough of Alpine to make permanent the appointment of James Jordan to the police department of the borough, notwithstanding that he exceeds the statutory limitations on the maximum age for police officers. For the reasons stated in my veto message of Assembly Bill No. 841, I must conclude that this bill is in violation of N. J. Const., Article IV, Section VII, par. 9(5).

Therefore, I respectfully return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 1113

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1113, without my approval for the following reasons:

Assembly Bill No. 1113 would amend that section of the Public and School Employees' Health Benefits Act which

limits the additional coverage provided by the Act to only those persons who retired on or after July 1, 1964. The proposed amendment would permit any county bridge commission which controls bridges extending into another state to pay the additional coverage to employees who retired prior to July 1, 1964, and would validate any such payment made to date.

I would be opposed to this measure on the basis that it creates an unreasonable exception to the application and effective date of the amended Public and School Employees' Health Benefits Act. Beyond this, however, the amendment is unnecessary as no such County Bridge Commission participating in the program evidences the difficulty which this bill is designed to resolve.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*

/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL NO. 1116

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1116, without my approval.

Assembly Bill No. 1116 is a special bill which would allow the Township of Riverside to make permanent the appointment of Leonard W. Bucher and Leroy R. Martin to the police department of that township, notwithstanding that they exceed statutory limitations on the maximum age for police officers. For the reasons stated in my veto message of Assembly Bill 841, I must conclude that this bill is in violation of N.J. Const., Article IV, Section VII, par. 9(5).

Therefore, I respectfully return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY BILL No. 1120

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(a) of the Constitution, I herewith return Assembly Bill No. 1120, without my approval.

Assembly Bill No. 1120 allows any municipality which has created a Convention Hall Authority pursuant to NJSA 40:54B–1 *et seq.* (P.L. 1967, c. 307) to "unconditionally guarantee the punctual payment of the principal of and interest on any bonds of the authority." Any such guarantee would be authorized by ordinance and would be deducted from the statutory debt limit of the municipality during the five fiscal years following the guarantee, and in every year thereafter in which the municipality was required to make no appropriation to pay the bonds.

Convention Hall authorities were authorized on a revenue bond basis in 1967. Before that time, going back to World War I, municipalities of various types have been authorized to construct convention halls and issue general obligation bonds for that purpose. Cities are authorized to build convention hall piers by NJSA 40:179–109 *et seq.* Any municipality bordering on the Atlantic Ocean is authorized to build convention halls also and issue general obligation bonds for that purpose, see NJSA 40:62–27 to 34.12.

General obligation bonds, however, have certain limitations. Perhaps the most important of these is the fact that on the petition of the voters of the municipality, they can

be subjected to a referendum to approve or disapprove their sale (NJSA 40:49–27). This safeguard is inserted for a very sound reason, in that general obligation bonds represent a very solemn undertaking of the municipality. When a municipality issues a general obligation bond, it pledges the entire taxing power of the municipality. What this means is that in order to pay for the bonds, the municipality may and must impose any level of taxation necessary to meet the payments to creditors.

Revenue bonds, on the other hand, are meant to be self-liquidating. They should be used only for facilities or activities which can pay for themselves through tolls, tuition fees or other user charges. The revenues from these tolls and fees, and sometimes the facility which produces them, are the only things which are pledged when revenue bonds are sold. If the facility proves not to be self-liquidating, that is a risk that is borne by the bondholder, and not the taxpayer. The taxpayer cannot be compelled to pay taxes to support a defunct authority.

Needless to say, general obligation bonds constitute a higher quality investment. They therefore usually sell at a lower interest rate, i.e., the borrowing municipality must pay less for its money. As a result, various devices have been developed to try and give some of the characteristics of a general obligation bond to a revenue bond, without adopting all of the safeguards required of general obligation bonds.

Assembly Bill No. 1120 reflects the history of these attempts quite well. When the Convention Hall Authority Law was first enacted in 1967, it contained no such provisions. The bonds were to stand or fall on their own merits. By 1968, it was deemed necessary to amend the law in order to give municipalities the power to appropriate monies to assist convention hall authorities in certain circumstances and to authorize municipalities to convey to convention hall authorities, with or without consideration, the property of the municipality (P.L. 1968, c. 357). This amendment was made necessary by the holding of *DeLorenzo v. Hackensack,* 9 N.J. 378 (1952), which held that without explicit statutory authority, no such payments or conveyances could be made.

Now in 1969, an additional step is to be taken. Now the municipality is to be allowed to guarantee the bonds of the

authority, for all intents and purposes, making them general obligation bonds of the municipality. I cannot support this change. I have long had my doubts about validity of long-term contracts for the support of authorities, doubts which were based on the *DeLorenzo* opinion. I do not feel that it is wise public policy, or even necessary public policy, that an autonomous authority, not responsible to the will of the people, hold in its hands the power to so severely affect the finances of any municipality. Thus, while it is true that the governing body of the municipality must first, by ordinance, decide to guarantee the bonds of the authority, it is not clear that this decision is subject to the provisions of the law subjecting such decisions to a voter referendum. We then would have a pledge of the credit of the municipality without such a referendum, which is a policy not lightly adopted.

Moreover, once the bonds are guaranteed, it is the conduct of the authority, and the authority alone, which will determine if the provisions of the guarantee come into play. Thus, if the authority is operated inefficiently or irresponsibly and revenues do not meet expenses, it is the taxpayer who must bear the burden, and with no recourse. This constitutes a delegation of power of such major proportions as to raise serious questions as to its constitutionality, see *New Jersey Turnpike Authority v. Parsons*, 3 N.J. 235, 248 (1949); and see *Houston Petroleum Company v. Automotive Products Credit Association*, 9 N.J. 122 (1952).

There are numerous other problems as well; more technical and less fundamental. First, under the provisions of NJSA 40:54B–14, it is clear that an authority may be established by one or more municipalities. If that is the case, then it is possible that the citizens of one municipality could guarantee revenue bonds to the benefit of another municipality which has not undertaken a similar obligation. Surely this should be a shared burden. Second, NJSA 40:54B–6(e) declares that any bonds issued by the authority are not a debt of the State of New Jersey, any county or municipality. It would be difficult to reconcile the terms of Assembly Bill No. 1120 with this provision. Finally, there is an implied amendment of NJS 40A:2–44 relating to the statutory debt ceiling of the municipality, which appears to be in violation of N.J. Const., Art. IV, Sec. VII, Par. 5.

For these reasons, I must therefore return this bill without my approval.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
January 13, 1970.

ASSEMBLY JOINT RESOLUTION No. 2

To the General Assembly:

I am returning Assembly Joint Resolution No. 2 without my approval for the following reasons:

AJR-2 would memorialize Congress and the National Traffic Safety Agency to impose rear lighting systems on motor vehicles which would utilize red, green and amber lights to differentiate signals.

At present, according to the Department of Transportation, five separate studies are being conducted through the National Highway Safety Bureau to investigate, document, and evaluate the problems involved in the development and implementation of improved rear lighting systems. The tri-light system which AJR-2 recommends is only one of several systems being considered.

In view of the fact that positive action is already being taken by responsible agencies, it does not appear worth the expense to memorialize Congress in this regard.

Respectfully,

[SEAL] /s/ RICHARD J. HUGHES,
Attest: *Governor.*
/s/ ALAN J. KARCHER,
Acting Secretary to the Governor.

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AGRICULTURE				
	S.	269	Requires security interests to be perfected under the Uniform Commercial Code, rather than under Motor Vehicle Law.	Pocket	27
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BOARD OF EDUCATION				
	A.	439	Establishes a method for the presentation of grievances by school employees with boards of education.	Pocket	40
CIVIL SERVICE				
	S.	263	Extends Civil Service protection to persons who had served in the position of Special Officer.	Absolute	48
COMMISSIONERS				
	S.	335	Requires each Commissioner of Delaware River Port Authority to be resident of the Authority's Port District.	Absolute	49
	S.	342	Requires the Commissioner of the Delaware River Joint Toll Bridge Commission to be a resident of any one of the Counties of Sussex, Warren, Mercer, Burlington, or Hunterdon.	Absolute	50
CONTRACTS				
	A.	319	Provides that bidders on public school contracts amounting to less than $10,000.00 need no longer satisfy the Prequalification Requirements.	Pocket	37
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ELECTIONS				
	A. 621	Sample ballots and notices of election should be mailed at least 10 days prior to every school election.	Absolute	66
	A. 135	Requires every candidate for nomination to certify, that he has not voted in the primary election, and that he is not a member of any other party.	Absolute	51
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	A. 720	Legalizes the distribution of door prizes.	Absolute	68
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	A. 658	Permits a hospital to destroy a patient's medical records 7 years after his discharge.	Absolute	67
MUNICIPALITIES AND COUNTIES				
	A. 122	Permits a municipality to acquire land which has been designated as a future public school site.	Conditional	9
	A. 384	Renders mandatory the permissive authority of municipal governing bodies to appropriate funds for the expenses of local boards of education.	Conditional	17
	A. 431	Relocates the boundary line between Borough of West Caldwell and the Borough of Roseland in the County of Essex.	Conditional	18
	S. 367	Empowers a single municipality to create a Parking Authority without condemnation powers or immunity from taxation.	Pocket	32
	A. 142	Authorizes municipalities to prohibit parking on all streets by posting appropriate signs.	Pocket	36
	A. 373	Increases the maximum monetary jurisdiction of the Small Claims Division of the County District Court.	Pocket	39
	A. 754	Redefines a portion of the boundary line between the Counties of Hunterdon and Somerset.	Pocket	44

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	S. 32 Facilitates the transfer of ownership of a motor vehicle.	Pocket	26
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	A. 768 Undertakes to set forth specific definitions of the word "obscene" with regard to sale, loan, gift, or distribution of items to children under 18 years.	Absolute	71
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	A. 60 Permits a member of a first class county Board of Education Pension System to purchase up to 10 years credit for prior service.	Pocket	33
	A. 157 Amends the laws concerning pensions for Justices of the Supreme Court and Judges of the Superior Court.	Absolute	54
	A. 106 Reduces the period of service required for vesting in the Teachers' Pension and Annuity Fund from 20 to 15 years.	Pocket	35
POLICE AND FIRE DEPARTMENTS			
	A. 358 Increases the maximum age limit for appointments to a Municipal Police or Fire Department.	Pocket	38
	A. 447 Requires the heads of every State, County and Municipal Departments, to grant leaves of absence with pay to Chiefs of Police to attend annual and monthly meetings.	Absolute	61

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	S.	81	Defines and prohibits conflicts between the official obligations and the private interests of Members, Officers and Employees of the Legislative and Executive Branches of Government.	Conditional	1
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	A.	605	Divests the State of its entire interest in all riparian lands commonly known as meadowlands.	Absolute	63
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	A.	613	Provides that if a railroad files a complaint with the tax appeals, it must first pay to the State Treasurer, "the amount of taxes not then in substantial controversy."	Pocket	43
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	S.	299	Provides that the Director of the new Division of Economic Development shall receive such salary not to exceed $15,000.00.	Pocket	28

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	S. 364	Provides that any person covered by accident and sickness insurance, shall be reimbursed for any service performed by a chiropractor.	Pocket	263
	S. 365	Provides that the services of a chiroractor shall be medical or surgical services under Workmen's Compensation or any health and accident insurance plan.	Pocket	263

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CIGARETTES				
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DEEDS				
	S. 524	Validates and confirms conveyances of land made in corporate names of corporations which have expired.	Conditional	110

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	S. 105	Permits a policeman or fireman granted a disability retirement allowance, to earn other monies.	Conditional	101
	S. 929	Permits any municipality to reappoint a former member of its police and fire department who has resigned in good standing.	Pocket	286
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	A. 287	Repeals P. L. 1967, c. 84 permitting the Delaware River Port Authority to purchase and construct terminals.	Absolute	170

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	A. 400	Provides that any member of the reserve components of the Armed Forces of the United States traveling under orders to or from any duty assignment shall pass free of charge over and through any toll road or facility in the State.	Absolute	192
	A. 905	Directs the Department of Transportation to undertake a feasibility study of the local and state roads in Warren and Sussex counties.	Absolute	174
	S. 185	Provides that any member of the New Jersey National Guard traveling under orders to or from a duty assignment shall pass free of charge over and through any toll road or facility in the State.	Absolute	177
	S. 250	Increases from 50% to 90% the State's share of the cost of construction of a county or municipal road.	Conditional	139
	S. 493	Prohibits the Highway Authority to engage in construction or operation of any facility or activity not directly related to the use of a highway project.	Absolute	180
	S. 540	Designated the "Expressway Authorities Act", permits the creation of expressway authorities by 2 or more counties.	Pocket	269
HOSPITALS				
	S. 314	Prohibits the commitment of sex offenders to mental hospitals without separate facilities for such person.	Pocket	248
INSURANCE—HEALTH AND ACCIDENT				
	S. 333	Permits certain 1st class cities to assume the cost of group insurance premiums for retired employees.	Pocket	248
	S. 363	Provides that any licensed chiropractors shall have the privileges and benefits in the scope of their practice concerning medical service corporation.	Absolute	255

Subject	*Bill*		*Type of Veto*	*Page*
	S. 364	Provides that any person covered by accident and sickness insurance, shall be reimbursed for any service performed by a chiropractor.	Absolute	263
	S. 365	Provides that the services of a chiropractor shall be medical or surgical services under Workmen's Compensation or any health and accident insurance plan.	Absolute	263
INSURANCE—LIFE				
	S. 333	Permits certain 1st class cities to assume the cost of group insurance premiums for retired employees.	Pocket	248
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	S. 481	Provides greater protection for the victims of uninsured motorists	Conditional	102
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	A. 256	Permits magistrates to accept fees or gratuities in connection with his services in solemnizing marriages.	Absolute	172
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	A. 566	Permits the compromise or settlement of a cause of action where a bona fide dispute exists as to the amount payable by an employer.	Pocket	299
	A. 572	Exempts from the minimum wage provision salesmen of aircraft and certified flying instructors.	Absolute	197
	S. 746	Provides for employer-employee relations in public and private employment; creates a board of mediation.	Conditional	221
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	A. 256	Permits magistrates to accept fees or gratuities in connection with his service in solemnizing marriages.	Absolute	172
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	A. 549	Prohibits advertising by persons licensed or registered to diagnose or treat human illness or deformities.	Pocket	297
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	A. 794	Permits a member of a volunteer fire company to display on a motor vehicle a fire or police identification light.	Pocket	306
	A. 862	Increases all motor vehicle registration fees, and drivers' license fees.	Conditional	147
	S. 355	Permits a municipality to post signs only at the entrance and exits of the municipality prohibiting parking on all streets during a snow storm and until properly plowed.	Absolute	178
	S. 373	Requires all license plates issued subsequent to 1968 to be treated with special reflectorized materials.	Conditional	211
	S. 481	Provides greater protection for the victims of uninsured motorists.	Conditional	102
MOTOR VEHICLES—DRIVERS				
	A. 216	Provides that any driver who must, as a condition of employment, operate a motor vehicle, shall not have his license suspended unless he has accumulated 24 or more points.	Absolute	187

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	A. 278	Provides that persons convicted of a violation of the "uniform narcotic drug law" may have their driver's license suspended or revoked.	Absolute	190
	A. 560	Provides that no points shall be charged against the driver of a commercial vehicle for motor vehicle violations occurring outside the State except after a hearing.	Absolute	194
MOVING				
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MUNICIPALITIES				
	A. 650	Increases from 2 to 5 years the maturity time of a municipal "bond anticipation note".	Pocket	301
	S. 275	Provides for special election to fill vacancies in the governing body of a municipality where the court has set aside an election of a member or members.	Absolute	159
	S. 355	Permits a municipality to post signs only at the entrance and exits of the municipality prohibiting parking on all streets during a snow storm and until properly plowed.	Absolute	178
	S. 494	Amends the "Municipal Planning Act (1953)," provides that when improvements have been completed the obligor shall notify the municipality, requires the municipal engineer within 60 days to inspect the improvements and approve or reject them.	Conditional	104
	S. 511	Permits the creation of a municipal Oceanarium Authority.	Pocket	268
	S. 721	Allocates 10% of the net receipts of the revenues of the sales tax as State aid to municipalities for general municipal purposes; effective July 1, 1968.	Conditional	217
NARCOTICS				
	A. 278	Provides that persons convicted of a violation of the "uniform narcotic drug law" may have their driver's license suspended or revoked.	Absolute	190
	A. 504	Defines hallucinogenic drugs; provides penalties commensurate with the danger in the illegal use of LSD and other hallucinogens.	Conditional	242

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S. 351	Permits counties to establish programs of education in narcotics law enforcement for municipal and county law enforcement officers.	Pocket	253

NATIONAL GUARD

S. 185	Provides that any member of the New Jersey National Guard traveling under orders to or from a duty assignment shall pass free of charge over and through any toll road or facility in the State.	Absolute	177

NATURAL RESOURCES

A. 29	Provides for the conservation of certain natural resources of the State; provides for the licensing of well drillers	Conditional	234

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S. 511	Permits the creation of a municipal Oceanarium Authority.	Pocket	268

PENSIONS

A. 597	Permits certain members of the State Police Pension Fund to purchase credit not to exceed the amount he would have paid into another retirement system.	Absolute	201
S. 105	Permits a policeman or fireman granted a disability retirement allowance, earn other monies.	Conditional	101
S. 333	Permits certain 1st class cities to assume the cost of group insurance premiums for retired employees.	Pocket	248
S. 405	Provides that any former public employee who has been retired on pension by reason of any injury or disability shall be entitled to compensation for such injury or disability.	Absolute	179
S. 593	Grants retired members of the Public Employees' Retirement System credit for services as helping teachers.	Pocket	270

PHYSICAL THERAPISTS

S. 722	Creates a Physical Therapy Examining Board to license physical therapists.	Pocket	284

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PLANNING				
	S. 494	Amends the "Municipal Planning Act (1953)," provides that when improvements have been completed the obligor shall notify the municipality, requires the municipal engineer within 60 days to inspect the improvements and approve or reject them.	Conditional	104
POLICE				
	A. 254	Permits a municipality to establish a non-paid citizen special police force and provides for workmen's compensation for the members.	Absolute	150
	A. 597	Permits certain members of the State Police Pension Fund to purchase credit not to exceed the amount he would have paid into another retirement system.	Absolute	201
	S. 105	Permits a policeman or fireman granted a disability retirement allowance, to earn other monies.	Conditional	101
	S. 453	Permits any State resident to take a Civil Service examination for the police department in certain cities.	Pocket	264
	S. 929	Permits any municipality to reappoint a former member of its police and fire department who has resigned in good standing.	Pocket	286
POWER OF ATTORNEY				
	A. 259	Provides a special power of attorney for small property interests.	Pocket	291
PRISONS AND PRISONERS				
	A. 786	Establishes a work release program for certain persons in State and county correctional institutions.	Absolute	204
PUBLIC CONTRACTS				
	A. 70	Authorizes the State House Commission to contract for studies of State employment conditions.	Absolute	166
	S. 239	Requires the State director of purchases to give preference to products manufactured, grown or processed in the State.	Pocket	246
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PUBLIC LANDS				
	S. 638	Disclaims any right, title or interest of the State in certain real estate in the Township of Jackson, Ocean County.	Pocket	272
PUBLIC OFFICERS AND EMPLOYEES				
	A. 70	Authorizes the State House Commission to contract for studies of State employment conditions.	Absolute	166
	A. 157	Grants permanent Civil Service status to certain correction officers in the Department of Institutions and Agencies.	Conditional	145
	A. 291	Permits a municipality to prescribe additional educational requirements over and above those prescribed by the Civil Service Commission.	Pocket	293
	A. 741	Grants leave of absence with pay to any public employee who is a member of a reserve component of any of the Armed Forces or Coast Guard Reserve.	Pocket	302
	S. 457	Permits the freeholders of certain 5th class counties to increase their salary to a maximum of $12,000 per year.	Pocket	266
	S. 746	Provides for employer-employee relations in public and private employment; create a board of mediation.	Conditional	221
PUBLIC OFFICERS AND EMPLOYEES see also **FIREMEN; PENSIONS; POLICE**				
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SCHOOLS				
	A. 302	Extends from 3 to 5 years the period of time a board of education renewal notes or temporary loan bonds shall mature.	Pocket	295
	A. 640	Permits the conducting of a brief period of silent prayer of meditation by public school teachers with the participation of all pupils.	Absolute	202
	A. 819	Provides that any person who, on school property, incites or attempts to incite pupils to disobey school authorities is guilty of a misdemeanor.	Absolute	205
	S. 841	Provides that every school district shall receive, in addition to all other aid, an apportionment of $25.00 per resident pupil.	Conditional	231

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SCHOOLS see also **TEACHERS**				
SEWERAGE				
	S. 577	Permits temporary sewerage facilities to be constructed, when no comprehensive regional sewage facilities are in existence and operating.	Absolute	181
	S. 930	Increases from 7 to 9 the number of members on a county sewer district authority.	Absolute	151
SEX CRIMES				
	S. 314	Prohibits the commitment of sex offenders to mental hospitals without separate facilities for such person.	Pocket	248
SOUTH JERSEY PORT COMMISSION				
	A. 584	Provides for unemployment compensation and temporary disability benefits for the employees of the South Jersey Port Commission.	Absolute	198
TAXATION				
	A. 436	Provides that lands used for the purpose and for the protection of a public water supply shall not be subject to taxation.	Absolute	193
	S. 565	Requires payment of 75% of taxes assessed on real property pending the outcome of a tax appeal.	Conditional	215
	S. 721	Allocates 10% of the net receipts of the revenues of the sales tax as State aid to municipalities for general municipal purposes; effective July 1, 1968.	Conditional	217
TEACHERS				
	A. 281	Provides that any teacher under tenure, who transfers to another school district, shall obtain tenure in such other school district after 2 academic years.	Pocket	292
TOBACCO				
	A. 419	Provides for the licensing of cigarette manufacturers and manufacturers representatives; provides penalties to persons possessing counterfeit cigarettes.	Conditional	239
TRANSPORTATION				
	A. 643	Designated the "Transit Authorities Law", permits the creation of county transit authorities.	Absolute	203

Subject	*Bill*		*Type of Veto*	*Page*
UNEMPLOYMENT COMPENSATION				
	A. 584	Provides for Unemployment Compensation and temporary disability benefits for the employees of the South Jersey Port Commission.	Absolute	198
	S. 769	Includes under the Unemployment Compensation Act and Temporary Disability Benefits Law any employing unit subject to the Federal Unemployment Tax Act.	Conditional	230
UNITED STATES—ARMY				
	A. 400	Provides that any member of the reserve components of the Armed Forces of the United States traveling under orders to or from any duty assignment shall pass free of charge over and through any toll road or facility in the State.	Absolute	192
UNITED STATES—CONGRESS				
	A. 146	Proposes changes to the 3rd, 6th and 15th Congressional districts.	Absolute	164
	S. 330	Proposes revision of the 7th and 9th Congressional districts.	Absolute	152
URBAN RENEWAL				
	A. 286	Permits urban renewal corporations to acquire property by purchase or exchange directly from a private or public owner; permits leasehold interests.	Conditional	236
	A. 747	Requires municipalities to prepare plans for redevelopment of blighted areas.	Pocket	303
WATER SUPPLY				
	A. 436	Provides that lands used for the purpose and for the protection of a public water supply shall not be subject to taxation.	Absolute	193
	S. 682	Prohibits the State Sanitary Code to require the mandatory fluoridation of any public potable water supply.	Pocket	273
WELLS				
	A. 29	Provides for the conservation of certain natural resources of the State; provides for the licensing of well drillers.	Conditional	234
WORKMEN'S COMPENSATION				
	A. 254	Permits a municipality to establish a non-paid citizen special police force and provides for workmen's compensation for the members.	Absolute	150

Subject	*Bill*	*Type of Veto*	*Page*
S. 365	Provides that the services of a chiropractor shall be medical or surgical services under Workmen's Compensation or any health and accident insurance plan.	Pocket	263
S. 405	Provides that any former public employee who has been retired on pension by reason of any injury or disability shall be entitled to compensation for such injury or disability.	Absolute	179

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ADVERTISING

A. 251	Prohibits false advertising; imposes penalties.	Absolute	529

ALCOHOLIC BEVERAGES

A. 847	Permits counties and municipalities to appropriate up to $10,000 in any 1 year to the National Council on Alcoholism, Inc.	Conditional	480

ANNUITIES see **INSURANCE**

ARREST

A. 986	Provides for expunging records of arrests under certain circumstances.	Absolute	586

ATTACHMENT AND GARNISHMENT

A. 566	Provides that the percentage limitations of a wage execution shall not apply to an execution for support of a wife or children.	Conditional	459

AUTHORITIES see **GOVERNMENT CORPORATIONS**

AVIATION

A. 306	Imposes a service charge for the use of public airports by passenger air carriers.	Absolute	531

BANKING

S. 287	Designated "The Business Incentive Act (1969)" provides for guaranteed or insured bank loans to deprived persons for the purposes of establishing themselves in small businesses or professions.	Conditional	391
S. 521	Permits a savings and loan association employee to receive pension payments at such age and following such period of service as specified in the pension plan of the association.	Conditional	413

Subject	*Bill*	*Type of Veto*	*Page*
S. 522	Permits a savings and loan association to have a chairman of the board; provides for reimbursement to officers or employees for expenses incurred in any suit to which they are made a party.	Conditional	414

BLOOD

A. 811	Requires all blood transfusion donors to be examined by a physician.	Absolute	579

BUILDING INSPECTORS

A. 325	Permits a non-resident of any municipality in a 5th class county to be the municipal building inspector.	Absolute	536

BUILDING MATERIALS

A. 484	Regulates the use of glazing material.	Absolute	549

CIVIL RIGHTS

S. 228	Permits the appointing authority to set the term of the executive or deputy executive director appointed to assist local commissions on civil rights.	Absolute	488

CLAIMS AGAINST THE STATE see **GOVERNMENT LIABILITY**

COLLEGES AND UNIVERSITIES

A. 598	Permits a lender to loan money under the higher education assistance authority law.	Conditional	462
A. 705	Provides that certain disruptive acts in public schools, colleges and universities are disorderly persons offenses.	Conditional	478
S. 43	Permits the Division of Investment to invest in evidence of indebtedness guaranteed or insured under the Higher Education Assistance Authority Act.	Absolute	485

CONTRACTS see **PUBLIC CONTRACTS**

COUNTIES

A. 412	Designated the "Interlocal Cooperation Act" permits local governmental units to cooperate with other localities.	Absolute	544
A. 767	"County and Municipality Revenue Bond Law," permits counties and municipalities to undertake construction or acquisition of revenue producing facilities.	Absolute	567

COUNTIES see also Specific Subject, e.g. Parks

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COURTS				
	A. 986	Provides for expunging records of arrests under certain circumstances.	Absolute	586
	S. 263	Requires a notice by the clerk of the superior court to the county clerk of the entry of satisfaction of a judgment.	Conditional	329
	S. 486	Provides that of the $50 fee paid to commence action in the Superior Court, $15 shall be paid to the county clerk instead of the county treasurer.	Absolute	505
DEEDS				
	S. 304	Specifies types of deeds that no transfer fee shall be paid on.	Conditional	408
DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION				
	S. 606	Provides that the members of the Delaware River Joint Toll Bridge Commission shall be appointed by the Governor with the advice and consent of the Senate.	Absolute	510
DETECTIVES (CITY AND COUNTY) see **POLICE**				
DOMESTIC RELATIONS				
	A. 566	Provides that the percentage limitations of a wage execution shall not apply to an execution for support of a wife or children.	Conditional	459
ECONOMIC DEVELOPMENT				
	S. 287	Designated "The Business Incentive Act (1969)" provides for guaranteed or insured bank loans to deprived persons for the purposes of establishing themselves in small businesses or professions.	Conditional	391
EDUCATION see **SCHOOLS**				
ELECTIONS				
	A. 923	Extended to April 30, 1969 the date for filing nominating petitions for the June 3, 1969 primary election.	Absolute	584
ELECTIONS—ABSENT VOTING				
	S. 533	Requires an absentee ballot to include any municipal public questions to be voted upon.	Conditional	416

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ESTATES				
	S. 431	Permits payments in death actions to the executor or the administrator of an estate.	Absolute	501
FIREMEN				
	S. 288	Provides for legal aid for police and firemen in order to protect the interests of the municipality.	Conditional	405
FISH AND GAME				
	S. 738	Prohibits the use of any illuminating devices in any area where deer may be expected during the hours of midnight and daylight.	Pocket	317
GAMBLING				
	A. 144	Prohibits a retail motor fuel dealer to use trading stamps, lotteries or other games of chance.	Absolute	519
	A. 1035	Appropriates $25,000 to the State Lottery Planning Commission.	Conditional	483
GARNISHMENT see **ATTACHMENT AND GARNISHMENT**				
GOVERNMENT CORPORATIONS				
	S. 282	Designated the "General Authority Law," provides counties and municipalities with a general local authority law.	Conditional	330
GOVERNMENT LIABILITY				
	S. 813	Appropriates $734,194.24 for claims against the State.	Item	309
GUARDIAN AND WARD				
	S. 480	Permits the parents of an institutionalized mentally ill adult to move for a judgment naming them legal guardians.	Absolute	502
HIGHER EDUCATION see **COLLEGES AND UNIVERSITIES**				
HIGHWAY AUTHORITY				
	S. 309	Requires the Highway Authority to issue commuter tickets at a discount.	Absolute	492
HIGHWAYS				
	A. 326	Provides for a study of feasibility of extending either the Parkway or Turnpike into Warren and Sussex counties.	Absolute	537

Subject	Bill		Type of Veto	Page
	A. 922	Provides for a study of the possible expansion of either the Garden State Parkway or the Turnpike or both in the counties of Salem, Cumberland and Cape May.	Absolute	583
	S. 311	Prohibits the Expressway Authority to engage in the construction or operation of any facility or activity not directly related to the use of the expressway.	Absolute	495
	S. 312	Prohibits the Turnpike Authority to engage in the construction or operation of any facility or activity not directly related to the use of the turnpike.	Absolute	496
	S. 534	Requires the State to pay for a substistitute potable water supply when the water supply of a municipality or a school is contaminated by the State.	Conditional	417
HOSPITALS				
	S. 495	Permits the sale of municipal lands to duly incorporated hospital associations.	Absolute	506
HOUSING				
	S. 303	Increases to 7 the membership of certain municipal housing authorities.	Absolute	489
INSURANCE				
	A. 624	Prescribes the authority an insurance company has to sell contracts based upon investments in the shares of an investment company.	Conditional	475
	S. 496	Increases from $15,000,000 to $25,000,000 the amount of capital and surplus of a life insurance company over which an annual franchise tax must be paid.	Absolute	507
INSURANCE—MOTOR VEHICLE				
	S. 619	Extends the effective date of P. L. 1968, c. 385, requiring motor vehicle insurance data, to July 1, 1969.	Absolute	512
INVESTMENT OF PUBLIC FUNDS				
	S. 43	Permits the Division of Investment to invest in evidence of indebtedness guaranteed or insured under the Higher Education Assistance Authority Act.	Absolute	485

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JUDGES				
	S. 777	Grants a pension to certain county court judges.	Conditional	447
JUNKYARDS				
	A. 402	Extends the time for a junkyard owner to put a fence around his yard.	Absolute	543
LEGISLATURE				
	S. 707	Provides for the regulation of the conduct of State officers and employees and members of the Legislature.	Conditional	424
LOTTERIES see **GAMBLING**				
MAYORS see **MUNICIPALITIES—OFFICIALS**				
MENTALLY ILL				
	S. 480	Permits the parents of an institutionalized mentally ill adult to move for a judgment naming them legal guardians.	Absolute	502
MOTOR VEHICLES				
	A. 9	Permits a gasoline station or garage to sell any unclaimed motor vehicle left on their premises for 90 or more days.	Absolute	517
	A. 136	Permits municipalities without paying a fee for a license, to conduct mini bike, mini car or cart motor vehicle races or exhibits.	Conditional	450
	A. 244	Requires municipal court to notify the owner of a vehicle when a summons is issued involving a driver other than the owner.	Absolute	528
	A. 345	Permits a county or municipality to install one or more traffic control signals.	Absolute	539
	A. 356	Requires all rented vehicles to satisfy the standards of motor vehicle inspections.	Conditional	452
	A. 443	Permits temporary registration of motor vehicles for out-of-state purchasers.	Conditional	453
	AJR. 2	Memorializes Congress and the National Safety Agency to take certain remedial action for the promotion of traffic safety.	Absolute	596
	S. 658	Increases from 30 to 35 the maximum age for a person to be appointed as a motor vehicle inspector.	Conditional	420

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MOTOR VEHICLES see also **INSURANCE—MOTOR VEHICLE**			
MOTOR VEHICLES—DRIVERS			
	A. 459 Permits any surety company to become surety company to become surety for guaranteed arrest bond certificates issued by an automobile club.	Conditional	456
	A. 571 Provides that a commercial driver's license shall be suspended only after he has 18 or more points within 3 years.	Absolute	554
	S. 356 Prescribes the penalties for a person who drives while under the influence of marijuana.	Absolute	497
MUNICIPALITIES			
	A. 412 Designated the "Interlocal Cooperation Act" permits local governmental units to cooperate with other localities.	Absolute	544
	A. 767 "County and Municipality Revenue Bond Law," permits counties and municipalities to undertake construction or acquisition of revenue producing facilities.	Absolute	567
	A. 1120 Provides for the guarantee of convention hall authority bonds by a municipality.	Absolute	593
MUNICIPALITIES see also Specific Subject, e.g. Police			
MUNICIPALITIES—OFFICIALS			
	A. 738 Increases the term of the mayor and councilman-at-large in certain cities.	Absolute	561
	A. 753 Permits an officer or employee of certain municipalities to be a commissioner of any municipal parking authority.	Absolute	566
	A. 839 Fixes salaries of commissioners and mayors in certain 4th class cities.	Conditional	482
	S. 308 Increases from 2 to 4 years the term of mayors in boroughs.	Absolute	490
	S. 732 Provides that the salary of a mayor of certain boroughs in a 6th class county shall not exceed $3,000 and each commissioner $2,500.	Absolute	513
	S. 733 Provides the annual salary of mayor and commissioners of certain 4th class cities.	Absolute	514

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NARCOTICS				
	A. 371	Grants tenure to certain assistant directors of county narcotics clinics.	Absolute	541
	S. 356	Prescribes the penalties for a person who drives while under the influence of marijuana.	Absolute	497
PARKS				
	A. 151	Provides that no "Green Acres" land shall be acquired in any municipality in excess of 20% of the land area without first obtaining the consent of the municipality.	Absolute	523
	S. 297	Permits county park commissions in certain counties to sell a portion of the park lands.	Pocket	313
PENSIONS				
	A. 16	Permits pension increases equal to the increase in social security benefit or cost of living increases.	Conditional	448
	A. 239	Grants a pension to the widow and minor children of a State prison officer who died in the performance of his duties.	Absolute	525
	A. 1113	Extends health benefits to retired employees of certain county bridge commissions.	Absolute	591
	S. 250	Defines the Vietnam conflict for civil service, pension and tax deductions for veterans.	Conditional	325
	S. 391	Provides that any former public employee who has been retired on pension by reason of any injury or disability shall be entitled to compensation for such injury or disability.	Absolute	499
	S. 482	Provides that any national guard technician may elect to terminate his participation in the Public Employees' Retirement System.	Conditional	411
	S. 521	Permits a savings and loan association employee to receive pension payments at such age and following such period of service as specified in the pension plan of the association.	Conditional	413
	S. 592	Permits certain 2nd class counties to make adjustments in the pension benefits of retired county detectives.	Pocket	314
	S. 777	Grants a pension to certain county court judges.	Conditional	447

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PLANNING			
A. 536	Permits any other interested party to prosecute the violation of a municipal zoning ordinance.	Conditional	458
S. 667	Establishes the responsibility for the payment of the costs of removing, reconstructing, altering or relocating utilities in a redevelopment project.	Conditional	422
S. 668	Establishes the respective responsibility of a housing authority and the purchaser or lessee of land in a redevelopment project as to the payment of the cost of altering utilities in a redevelopment project.	Conditional	423
S. 696	Permits a 2nd class city having a population between 20,000 and 30,000 inhabitants to dissolve a redevelopment agency.	Pocket	316
S. 745	Permits alternate members of a board of adjustment to participate in the board's decision.	Pocket	318
POLICE			
A. 8	Includes a representative of the New Jersey State Lodge, Fraternal Order of Police, on the membership of the State Police Training Commission.	Absolute	516
A. 396	Permits Cape May to make permanent the appointment of Robert L. Greene and Clarence F. Lear to the police department.	Absolute	543
A. 841	Permits Cresskill to make permanent the appointment of Michael Engel to the police department.	Absolute	580
A. 845	Permits Longport to make permanent the appointment of Joseph A. Melchionna and George F. Campbell to the police department.	Absolute	585
A. 906	Permits Bradley Beach to make permanent the appointment of Harry Holmes and Marvin Roren to the police department.	Absolute	582
A. 1045	Permits Brielle to make permanent the appointment of William T. Harvey to the police department.	Absolute	589
A. 1066	Authorizes Beachwood to make permanent the appointment of Walter P. Kubiak to the police department.	Absolute	589
A. 1082	Permits New Shrewsbury to make permanent the appointment of William Brown to the police department.	Absolute	590

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A. 1101	Permits Alpine to make permanent the appointment of James Jordan to the police department.	Absolute	591
A. 1116	Permits Riverside to make permanent the appointment of Leonard W. Bucher and Leroy R. Martin to the police department.	Absolute	592
S. 42	Provides for the appointment of 2 lieutenant detectives in third class counties having a population over 140,000.	Absolute	484
S. 288	Provides for legal aid for police and firemen in order to protect the interests of the municipality.	Conditional	405
S. 592	Permits certain 2nd class counties to make adjustments in the pension benefits of retired county detectives.	Pocket	314
S. 607	Permits the Town of Hackettstown to make permanent the appointments of F. Ainsworth, E. Wisniewski and L. Snyder to the police department.	Absolute	511
S. 659	Permits a person between the ages of 21 and 45 to be appointed as a sheriff's officer or county correction officer.	Conditional	421

PUBLIC CONTRACTS

A. 559	Provides for a county to give preference in purchasing to products of the county.	Absolute	552
S. 284	Designated the "Local Public Contracts Law," prescribes the procedure for local public contracts by municipalities and counties.	Conditional	375

PUBLIC LANDS

A. 685	Requires the sale of State land valued over $10,000 to be approved by the Governor and the Legislature.	Absolute	558
S. 283	Designated the "Local Lands and Buildings Law," prescribes procedures for the acquisition and sale of land and buildings by counties and municipalities.	Conditional	343
S. 495	Permits the sale of municipal lands to duly incorporated hospital associations.	Absolute	506

PUBLIC LAND see also **PARKS**

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PUBLIC OFFICERS AND EMPLOYEES			
	A. 782 Grants leave of absence with pay to a public employee who is a member of a reserve component of the Armed Forces to attend active duty.	Absolute	577
	A. 1113 Extends health benefits to retired employees of certain county bridge commissions.	Absolute	591
	S. 250 Defines the Vietnam conflict for civil service, pension and tax deductions for veterans.	Conditional	325
	S. 707 Provides for the regulation of the conduct of State officers and employees and members of the Legislature.	Conditional	424
PUBLIC OFFICERS AND EMPLOYEES see also **MUNICIPALITIES—OFFICIALS; PENSIONS;** Specific field of endeavor, e.g., Firemen; Police, etc.			
PUBLIC UTILITIES			
	S. 667 Establishes the responsibility for the payment of the costs of removing, reconstructing, altering or relocating utilities in a redevelopment project.	Conditional	422
	S. 668 Establishes the respective responsibility of a housing authority and the purchaser or lessee of land in a redevelopment project as to the payment of the cost of altering utilities in a redevelopment project.	Conditional	423
PUBLIC WELFARE			
	A. 961 Provides for certain reports in conjunction with general assistance and public assistance programs.	Absolute	584
	S. 302 Prohibits the demotion, suspension or discharge of any municipal welfare department employee by reason of any reduction of work.	Conditional	406
RECREATION			
	A. 242 Permits a county or municipality to have a board of recreation commissioners.	Absolute	527
REDEVELOPMENT see **PLANNING**			

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SCHOOLS				
	A. 146	Permits the conducting of a brief period of silent prayer by public school teachers with the participation of all pupils.	Absolute	521
	A. 434	Provides for the appointment of a custodian of school monies.	Absolute	548
	A. 545	Clarifies the procedure for bond issues for school purposes pursuant to the State School Emergency Building Aid.	Absolute	552
	A. 599	Establishes January 1, 1968 as the cut off date for extraordinary school aid.	Conditional	474
	A. 705	Provides that certain disruptive acts in public schools, colleges and universities are disorderly persons offenses.	Conditional	478
	A. 743	Extends the period of time a board of education's notes or bonds shall mature.	Absolute	563
SCHOOLS—ELECTIONS				
	S. 259	Provides that the time for drawing ballot positions for school elections shall be between 4:00 p.m. and 8:00 p.m.	Conditional	328
SCHOOLS—VOCATIONAL EDUCATION				
	S. 670	Permits certain counties in which a county vocational school has been established to collect tuition from sending districts.	Pocket	315
SEWERAGE				
	S. 44	Permits a municipal sewerage authority to charge a connection or tapping fee.	Conditional	320
	S. 364	Permits special emergency appropriations by municipalities for planning of a sanitary sewer system.	Absolute	499
SUPPORT see **DOMESTIC RELATIONS**				
TAXATION				
	S. 250	Defines the Vietnam conflict for civil service, pension and tax deductions for veterans.	Conditional	325
TAXATION—INSURANCE				
	S. 496	Increases from $15,000 to $25,000 the amount of capital and surplus of a life insurance company over which an annual franchise tax must be paid.	Absolute	507

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TAXATION—PROPERTY TAX				
	A. 671	Changes date on which the collector of taxes shall report his collections.	Absolute	560
TORTS				
	S. 431	Permits payments in death actions to the executor or the administrator of an estate.	Absolute	501
TRADING STAMPS				
	A. 144	Prohibits a retail motor fuel dealer to use trading stamps, lotteries or other games of chance.	Absolute	519
VALIDATING ACTS				
	A. 164	Validates certain sales of land by several municipalities.	Absolute	524
WATER SUPPLY				
	S. 534	Requires the State to pay for a substitute potable water supply when the water supply of a municipality or a school is contaminated by the State.	Conditional	417
WELFARE see **PUBLIC WELFARE**				
WORKMEN'S COMPENSATION				
	S. 61	Provides that appeals from judgments of a judge of compensation shall be made to the Superior Court, Appellate Division.	Conditional	322
	S. 391	Provides that any former public employee who has been retired on pension by reason of any injury or disability shall be entitled to compensation for such injury or disability.	Absolute	499
X-RAY TECHNICIANS				
	A. 614	Exempts from the requirement of having an X-ray technician's certificate any person under the supervision of a dentist.	Absolute	557
ZONING see **PLANNING**				