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REPORT

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NEW JERSEY AUTONOMOUS AUTHORITIES STUDY COMMISSION

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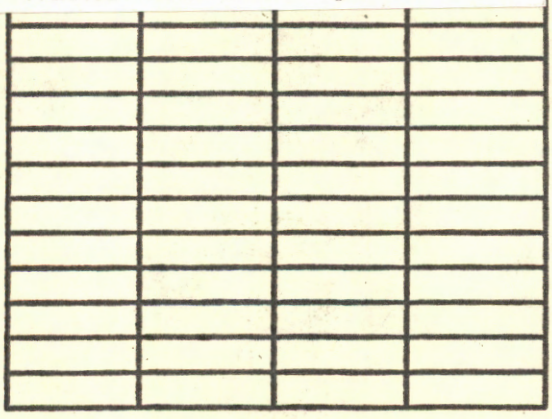

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REPORT

of the

AUTONOMOUS AUTHORITIES STUDY COMMISSION

ESTABLISHED PURSUANT TO ASSEMBLY CONCURRENT RESOLUTION NO. 9, 1968; RECONSTITUTED BY ASSEMBLY CONCURRENT RESOLUTION NO. 15, 1969; AND ASSEMBLY CONCURRENT RESOLUTION NO. 60, 1970.

JANUARY 11, 1972

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I

Letter of Transmittal

Governor William T. Cahill

Members of the Legislature

January 11, 1971

Gentlemen:

The New Jersey Joint Legislative Autonomous Authorities Study Commission was created pursuant to Assembly Concurrent Resolution No. 9, introduced on January 22, 1968, by Assemblyman Kenneth T. Wilson and 41 other Assemblymen and Assemblywoman, and reconstituted in 1969 and 1970.

Originally the membership of the Commission was: Chairman, Assemblyman Kenneth T. Wilson, Assemblyman Lee B. Laskin, Senator John A. Lynch, Senator Matthew J. Rinaldo, Senator Milton A. Waldor and Assemblyman John J. Fekety. When later reconstituted in 1970 for a two-year period, the membership was increased to twelve, and in addition to Messrs. Wilson as Chairman, Rinaldo and Lynch, included Senator Willard B. Knowlton, Senator Frank C. Italiano, Senator Gerardo L. DelTufo, Senator Richard J. Coffee, Assemblyman Peter W. Thomas, Assemblyman Joseph P. Merlino, Assemblyman Peter J. Russo, Assemblyman Kenneth A. Black, Jr., and Assemblyman Michael P. Esposito.

A Statement appended to the Concurrent Resolution declared:

> "The number of Autonomous Authorities has been increasing in recent years, in spite of the divergence of views as to advantages of this type of operation. It is the purpose of this Resolution to create a study commission to inquire into the functions and operations of these Authorities with regard to the public welfare. The need for such a commission is of particular urgency in view of a tendency to create

more authorities to perform various public services, without sufficient information concerning their usefulness."

The Autonomous Authorities Study Commission herewith respectfully submits its report of activities to date.

Sincerely,

AUTONOMOUS AUTHORITIES STUDY COMMISSION

s / KENNETH T. WILSON

Kenneth T. Wilson, *Chairman*

II

Autonomous Authorities Study Commission

Members

1968-1969

Assemblyman Kenneth T. Wilson, *Chairman—District 11E*

Senator Matthew J. Rinaldo, *District 9*

Senator John A. Lynch, *District 7*

Senator Milton A. Waldor, *District 11*

Assemblyman Lee B. Laskin, *District 3D*

Assemblyman John J. Fekety, *District 12A*

1970-1971

Assemblyman Kenneth T. Wilson, *Chairman—District 11E*

Senator Matthew J. Rinaldo, *Vice-Chairman—District 9*

Senator John A. Lynch, *District 7*

Senator Willard B. Knowlton, *District 13*

Senator Frank C. Italiano, *District 3D*

Senator Gerardo L. Del Tufo, *District 11*

Senator Richard J. Coffee, *District 6*

Assemblyman Peter W. Thomas, *District 10B*

Assemblyman Joseph P. Merlino, *District 6B*

Assemblyman Peter J. Russo *District 13A*

Assemblyman Kenneth A. Black, Jr. *District 3A*

Assemblyman Michael P. Esposito, *District 12*

STAFF

Monroe J. Lustbader, Esq.,
Counsel to Commission

Patrick J. Pelosi,
Research Director

Harry W. Wolkstein & Co.,
Financial and Accounting Consultants to Commission

Elaine G. Schweighardt,
Secretary

III

Introduction

Public interest and concern over the last quarter century inevitably led, and inevitably will lead, to governmental inquiry and regulation over the otherwise uncontrolled operations of autonomous authorities. Increasingly over the years, civic leaders, legislators, members of the executive branch of state governments, and the general public, have become anxious, even alarmed, over the fact that authorities created for specific limited purposes persisted long after those specific limited purposes had been accomplished, over the fact that autonomous authorities had branched out their functions far beyond their originally stated goals, even far beyond any goals which might have been conceived for them at the time of their creation, and over the fact that all this had been going on with only limited and in some cases without any governmental supervision. Too often, state legislatures had abdicated their responsibilities in regard to autonomous authorities; too often, legislators were only dimly aware of the scope of the functions expropriated by authorities and the burgeoning role they were playing in the regional, state and local communities.

Lincoln's maxim, as it relates to all of the people remaining in total ignorance forever concerning issues which are vital to them, dictated that, sooner or later, this Legislature, along with many others, would be compelled to deal with the problems engendered by autonomous authorities. It was to meet that need, to lay the groundwork for effective action primarily by obtaining the facts upon which to base action and legislation, that this Autonomous Authorities Study Commission was formed. Proud to have contributed in some small measure to public and legislative understanding of the problems involved, the Commission has conducted hearings, recommended and introduced legislation, and has generally advanced many years the approach which modern state government must take toward otherwise uncontrolled and unregulated autonomous authorities. The within report details those activities, the successes which the Commission has had, and sets forth the areas in which more remains to be done.

IV

Statement of Commission Chairman, Kenneth T. Wilson

The accomplishments and successes of the Autonomous Authorities Study Commission have been a source of both statisfaction and hope to me.

The satisfaction was a compound of many factors. First of all, some authorities had become so strongly entrenched that it seemed to many that our efforts would not avail to bring any sort of effective control upon those authorities. In my opinion, an authority should be an agent of the state. Nevertheless, authorities had permitted a responsibility gap to arise in their dealings with the state and with the general public. Almost too often, authorities would forget their obligations to the states which created them; too often they would function almost as private corporations rather than as servants of the people or of the states. Second, we were operating at the beginning with limited resources, and during much of the initial period of our existence, with limited support from others. Our own resources were rather meager in the beginning compared with the almost unlimited resources of the larger authorities. I was particularly gratified, as our work progressed, to see that our serious efforts and painstaking labors were resulting in gaining adherents to our position. In short, part of the satisfaction derived from the chairmanship of this commission came from the fact that we were contending with authorities that were not about to surrender advantages held for so many decades.

Another source of satisfaction for me was the accomplishment of the unprecedented cooperation between the states of New Jersey and New York, and the joint action which was eventually undertaken by their executive and legislative branches jointly. There had been, to point up just one example, much criticism of the Port of New York Authority and a recognition of the need of joint action by the two states, but until the joint bi-state efforts referred to, little had been done about the problem.

I derived much of my satisfaction also from the substance of our successes in the course of obtaining legislative and executive acceptance and support for the need for regulation of autonomous authorities. I cannot fail to mention the support and cooperation which Governor Cahill gave us, along with many of my colleagues in the Legislature. We leave at this stage a notable record of accomplishments, setting the stage for really workable and useful control over autonomous authorities, for which I am proud to have played my part.

Therein lies the source of the hope which I derive from the record of the Commission. It would appear, even at this juncture, that the inroads made by our Commission set the example, and hold up the mirror, for future governmental regulation of authorities. Having made a start already means that they can be regulated to fit and to accommodate the public interest—something we all strive for. In the difficult times in which we live, anyone who can truly help to improve the lives of his children and their generation, or succeeding generations, can rightly be proud; I believe that Governor Cahill, my colleagues and I can honestly share that pride.

V

Acknowledgments

The New Jersey Joint Legislative Autonomous Authorities Study Commission is deeply indebted to many individuals who have assisted in this study and in the preparation of this report. Our sincere appreciation is therefore expressed to the following:

Monroe J. Lustbader, Esq., Counsel to the Commission;

Patrick J. Pelosi, who served as Research Director;

Harry W. Wolkstein & Co., Bertram Gittler, C.P.A., and Samuel H. Westerman, who did the commission's financial surveys and analysis;

The late Harry W. Wolkstein, C.P.A., who worked for many years for reform and legislative control of autonomous authorities;

Elaine G. Schweighardt, for her unstinting efforts as Secretary to the Commission;

The Law Revision and Legislative Services Commission, in particular:

William M. Lanning, Chief Counsel and Executive Director, for his professional advice;

Mary Joan Dickson and Walter R. Kennedy, Assistant Legislative Counsels, who helped draft legislation;

Samuel A. Alito, Research Director, and Arthur S. Applebaum, Assistant Research Director, for their tireless and invaluable assistance in the research problems raised in the course of the Commission's work; and

The staff of the said Commission, who assisted with the hearing, taking of transcripts, etc.

The New York State Assembly Committee on Corporations, Authorities and Commissions, under the chairmanship of Assemblyman Robert E. Kelly and with John Carlson, Esq., as Counsel;

and to the countless others who kindly and selflessly assisted the Commission in its work, including the personnel of the various authorities who cooperated in our study, the many citizens and groups too numerous to mention who conferred on our proposals, provided valuable information, and so on,

To all of the above, the heartfelt thanks of all the members of the Commission.

VI

History of Activities of the Autonomous Authorities Study Commission

Following the Concurrent Resolution set forth above, the Commission held its first hearings on May 14, 1968, in the Assembly Chambers in Trenton. Testimony was received from Mr. Harry W. Wolkstein, C.P.A.; Assemblyman Ralph R. Caputo of Essex County; David J. Goldberg, Commissioner of Transportation of the State of New Jersey; Sylvester C. Smith, Jr., Chairman, New Jersey State Highway Authority; and D. Louis Tonti, Executive Director, New Jersey Highway Authority.

The next set of hearings was held on June 19, 1968, in Camden County Court House, Camden, N. J. Testimony was received from Thomas Connery, Esq., Special Counsel, Delaware River Port Authority; Commissioner Bartholemew A. Sheehan, Member, Delaware River Port Authority; Arnold H. Vey, Principal Engineer, Simpson & Curtin; Walter H. Steel, Senior Vice-President, Drexel, Harriman and Ripley, Inc.; and Paul MacMurray, Executive Director, Delaware River Port Authority.

Hearings were next held on October 30, 1968, in the Assembly Chambers, State House. Testimony was received from Dr. John B. Townsend, Vice-Chairman, New Jersey Highway Authority; and D. Louis Tonti, Executive Director, New Jersey Highway Authority.

The next hearings took place on March 3, 1969, in the Assembly Chambers, State House. Testimony was received from John J. Clancy, Commissioner, Port of New York Authority; Matthias E. Lukens, Deputy Executive Director, Port of New York Authority; Sidney Goldstein, General Counsel, Port of New York Authority; and William G. Morrison, Jr., Peat-Marwick & Mitchell Co.

On April 16, 1969, the next hearings were held in the Assembly Chambers, State House, with the following persons giving testimony: Edward Meskin, Business Manager, Architectural and Engineering

Guild Local 66; Matthias E. Lukens, Deputy Executive Director, Port of New York Authority; Sidney Goldstein, General Counsel, Port of New York Authority; Ferdinand J. Biunno, Business Administrator, City of Newark; and James E. Manning, President, Newark Airport Taxi Management Association.

Hearings were then held on March 5, 1971, at the New York City Bar Association Building, New York, N. Y., which was a joint hearing between the legislatures of the States of New York and New Jersey. Representing the State of New Jersey was the Autonomous Authorities Study Commission, while the State of New York was represented by the New York State Assembly Committee on Corporations, Authorities and Commissions. Those giving testimony were: Arthur Levitt, Comptroller, State of New York; Austin J. Tobin, Executive Director, Port of New York Authority; Theodore W. Kheel, Esq.; Abraham Stein, Teacher, Pace College, N. Y.; and written statements were received and accepted from John V. Lindsay, Mayor, City of New York; Abraham D. Beame, Comptroller, City of New York; Richard Lewisohn, Finance Administrator, City of New York; and Martin Gallent, Commissioner, City of New York.

The second joint hearings between the Legislatures of the State of New York and New Jersey were held on March 12, 1971, at New Jersey Bell Telephone Building, Newark, N. J. Testimony was received from Kenneth A. Gibson, Mayor, City of Newark; James C. Kellogg, III, Chairman, Port of New York Authority; Frank E. Tilley, Executive Director, Bergen County Board of Transportation; Charles Wodehouse, New Jersey Citizens Transportation Council; C. Richard Fiore, Assemblyman, Essex County; Thomas G. Dunn, Mayor, City of Elizabeth; Thomas T. Taber, Chairman, Morris County Board of Transportation; Stanley Osowski, Vice-President, Greater Newark Chamber of Commerce; Kenneth L. Walker, Jr., President, New Jersey Association of Real Estate Boards; and John F. Kraus, Chairman, Intermunicipal Group for Better Rail Service.

The hearings ranged over a wide area, covered a great many autonomous authorities, and elicited an enormous amount of information useful both to the Study Commission and to the State Legislature in the performance of their tasks. Many facts not previously known, or not widely known, were brought to light and made public knowledge. Many areas were uncovered in which legislation could,

would or did improve transportation, environment, public facilities, and the like. Much support was generated for the work of the Commission upon hearing the facts revealed at these hearings.

In addition to these hearings, which were public, a great deal of the work of the Study Commission was done in private meetings and conferences at which some of the important accomplishments of the Commission were effected. The Autonomous Authorities Study Commission was invited by the New Jersey Highway Authority (Presently the Department of Transportation) to its meetings, where there was an exchange of ideas and recommendations. For another example, it was found that some autonomous authorities were spending a substantial part of their legal expenses on outside private law firms while they were maintaining their own internal legal staffs. The Commission uncovered this by scrutinizing the vouchers of various authorities for a 20-year period. For one authority in particular, we found many legal fees which appeared to be unnecessary or nebulous in their pertinence, etc. Confronting the authority with this information, the Commission succeeded in persuading the authority to rely more heavily on its own internal legal staff for many of these functions, and thus to be able to save enormous amounts of money formerly spent as unnecessary legal fees. Such examples occurred many times, but necessarily went unpublicized.

Another by-product of the Study Commission's work was the public awareness created in these problems, which must always have a salutary and beneficial effect. A well-informed public must be a better society, and to disseminate the facts on public authorities did have, and had to have, a good effect. We cite as examples here the interest generated in the Cultural Center and in the World Trade Center. In the absence of public awareness and scrutiny, the two respective authorities might have continued indifferent to public welfare. As soon as the Study Commission had created the mass interest in those projects, which it did, the authorities had the public and the legislatures looking over their shoulders, so to speak, and could no longer go on indifferent to the needs of the community.

One immediate consequence was the intervention by Governor Cahill, and his insistence upon the building of a spur to the Penn-Central Railroad from downtown Newark to the Newark airport. Also as a result, for the first time in many years, gubernatorial veto

was brought to bear upon the Port of New York Authority, whereas Governors for many decades had been content to permit the Port Authority to operate as it chose.

The ceaseless and untiring efforts of this Study Commission also culminated in an almost unprecedented cooperation between the States of New York and New Jersey. While the two States had joined to form the Port Authority, there had been almost no coordination of control since then, and for the first time the two States found it necessary, under the urging and persuasion of this Commission, to work together to harness the Port Authority for their common good. Also, liaison existed for the first time between the Legislature of the State of New Jersey and the Mayor of the City of New York, John V. Lindsay, and with public-spirited citizens like Theodore W. Kheel.

Of enormous importance is another result of the operations of the Study Commission: the amassing for the first time of a considerable body of information, research and detail on the creation, operations, composition, personnel, and effects of the major autonomous authorities functioning in New Jersey. In the Appendix to this Report is reprinted a Summary Study, outlining the pertinent facts concerning those authorities, which appears in print for the first time here and which readers will find of great interest. Other studies sponsored or carried on by the Commission dealt with accounting and fiscal operations of the authorities, their legal bases for functioning as they do (whether within or beyond their original scope of authority), their rate-making and tax-paying functions and the degree to which they contribute to, or take from, the communities in which they are located. Such an accumulation of research will be of invaluable assistance in future regulation of, or creation of autonomous authorities, in the drafting of future legislation designed to curb abuses of, or to limit the activities of, authorities, or legislation whose purpose is to make authorities pay their own way and bear their fair share of the cost of our changing society. Succeeding legislatures will benefit from having the springboard of an already developed body of knowledge concerning authorities whereas this Commission began with no such great body of research.

VII

Filed April 25, 1968

ASSEMBLY CONCURRENT RESOLUTION NO. 9

STATE OF NEW JERSEY

INTRODUCED JANUARY 22, 1968

By Assemblymen WILSON, PARKER, CAPUTO, DICKEY, THOMAS, VREELAND, COBB, Assemblywoman MARGETTS, Assemblymen MORAITES, KEAN, KALTENBACHER, RINALDI, DENNIS, LITTELL, HOLLENBECK, VOLK, LASKIN, CURCIO, EVERS, W. L. SMITH, OLSEN, GARIBALDI, EWING, FIORE, VANDERPLATT, A. S. SMITH, RUSSO, AZZOLINA, CAFIERO, HURLEY, AIKINS, De KORTE, FERRARA, IRWIN, HEILMANN, GIMSON, KIEHN, COSTA, OWENS, RANDALL, RAYMOND and TODD

(Without Reference)

A CONCURRENT RESOLUTION creating a commission to study benefits and disadvantages to the general welfare of the citizens of the State resulting from the existence and operation of certain autonomous authorities.

WHEREAS, There exists in the State a number of autonomous authorities dealing with and operating services of a public nature; and

WHEREAS, The existence and operation of these autonomous authorities directly effect the general welfare of the citizens of this State; and

WHEREAS, The need for a study of the benefits and disadvantages of these authorities to the general welfare has become apparent; now, therefore,

BE IT RESOLVED *by the General Assembly of the State of New Jersey (the Senate concurring):*

1. There is hereby created a commission to consist of 6 members, 3 to be appointed from the membership of the Senate by the President thereof, no more than 2 of whom shall be of the same political party and 3 to be appointed from the membership of the General Assembly by the Speaker thereof, no more than 2 of whom shall be of the same political party, who shall serve without compensation. Vacancies in the membership of the commission shall be filled in the same manner as the original appointments were made.

2. The commission shall organize as soon as may be after the appointment of its members and shall select a chairman from among its members and a secretary who be a member of the commission.

3. It shall be the duty of said commission to study, hold hearings both public and private, and inquire into the advantages and disadvantages of the existence and operation of autonomous authorities to the general welfare of the people of this State, and to make a report of its findings, and to make such recommendations for legislation as it deems desirable and appropriate.

4. The commission shall be entitled to call to its assistance and avail itself of the services of such employees of any State, county or municipal department, board, bureau, commission or agency as it may require and as may be available to it for said purpose, and to employ such stenographic and clerical assistants and incur such traveling and other miscellaneous expenses as it may deem necessary, in order to perform its duties, and as may be within the limits of funds appropriated or otherwise made available to it for said purposes.

5. The commission may meet and hold hearings at such place or places as it shall designate during the sessions or recesses of the Legislature and shall report its findings and recommendations to the Legislature, accompanying the same with any legislative bills which it may desire to recommend for adoption by the Legislature.

STATEMENT

The number of autonomous authorities has been increasing in recent years, in spite of the divergence of views as to advantages of this type of operation.

It is the purpose of this resolution to create a study commission to inquire into the functions and operations of these authorities with regard to the public welfare.

The need for such a commission is of particular urgency in view of a tendency to create more authorities to perform various public services, without sufficient information concerning their usefulness.

Filed—March 25, 1969

ASSEMBLY CONCURRENT RESOLUTION No. 15

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1969 SESSION

By Assemblymen WILSON, LASKIN, FEKETY, THOMAS, COURY, KEAN, KALTENBACHER, FIORE, CAPUTO, RINALDI and DENNIS

(Without Reference)

A CONCURRENT RESOLUTION reconstituting the commission to study the benefits and disadvantages to the general welfare of the citizens of the State resulting from the existence and operation of certain autonomous authorities created by Assembly Concurrent Resolution No. 9 of the 1968 Legislature.

BE IT RESOLVED *by the General Assembly of the State of New Jersey (the Senate concurring):*

1. The commission created pursuant to Assembly Concurrent Resolution No. 9 of the 1968 Legislature is hereby reconstituted and continued with such of its members as continue to be members of the House from which they were appointed and such additional members as are necessary so that the total membership shall consist of 12 members, 6 of whom shall be members of the Senate appointed by the President thereof, and 6 of whom shall be members of the General Assembly appointed by the Speaker thereof, with no more than 4 of any such group of 6 being of the same political party. Vacancies in the membership of the commission shall be filled in the same manner as the original appointments were made. The commission shall select a chairman and vice chairman from among its members and a secretary who need not be a member of the commission.

2. The commission, as reconstituted, shall have all the powers and duties vested in and imposed upon it by Assembly Concurrent Resolution No. 9 of the 1968 Legislature.

3. The commission may engage such counsel and expert advisers as it deems necessary or advisable within the limits of such funds appropriated or otherwise made available to it.

4. The commission shall have all the powers of a joint committee of the Legislature under the provisions of chapter 13 of Title 52 of the Revised Statutes.

Filed with Secretary of State—May 13, 1970

ASSEMBLY CONCURRENT RESOLUTION No. 60

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1970

By Assemblyman WILSON

(Without Reference)

A CONCURRENT RESOLUTION reconstituting the commission to study the benefits and disadvantages to the general welfare of the citizens of the State resulting from the existence and operation of certain autonomous authorities created by Assembly Concurrent Resolution No. 9 of the 1968 Legislature and reconstituted by Assembly Concurrent Resolution No. 15 of the 1969 Legislature.

BE IT RESOLVED *by the General Assembly of the State of New Jersey (the Senate concurring):*

1. The commission created pursuant to Assembly Concurrent Resolution No. 9 of the 1968 Legislature and reconstituted by Assembly Concurrent Resolution No. 15 of the 1969 Legislature is hereby reconstituted and continued with the same powers and duties as heretofore and such of its members as continue to be members of the House from which they were appointed and such additional members as are necessary so that the total membership shall consist of 12 members, six of whom shall be members of the Senate appointed by the President thereof, and six of whom shall be members of the General Assembly appointed by the Speaker thereof, with no more than four of any such group of six being of the same political party. Vacancies in the membership of the commission shall be filled in the same manner as the original appointments were made. The commission shall select a chairman and vice-chairman from among its members and a secretary who need not be a member of the commission.

VIII

Legislation Resulting from the Activities of the Autonomous Authorities Study Commission

The most important indicator as to the effectiveness of any legislative committee or commission, no matter what its field, is the legislation to which its efforts give birth. In the case of the Autonomous Authorities Study Commission, an impressive succession of legislation, both enacted and pending, has attended its efforts, thus setting an example for further legislation in the field.

The first legislation, sponsored by Assemblyman Mabie, was P. L. 1968, Chapter 459, supplementing the New Jersey Highway Authority Act, which required public bidding on contracts with a dollar amount exceeding $2,500.00, and the awarding of the contract to the lowest bidder.

This was followed by P. L. 1968, Chapter 461, dealing with the New Jersey Turnpike, and imposing the same restriction against letting of contracts without public bidding on jobs aggregating over $2,500.00. The Commission had uncovered the fact that public bidding was unknown in many of these areas prior to the inquiry by the Commission. P. L. 1968, Chapter 462, adopted the same provision for the New Jersey Expressway. It is worth recalling that the New Jersey Turnpike Authority and the New Jersey Highway Authority are each larger than many major corporations; they are business enterprises of no small standing and significance, and the volume of work represented by such contracts is a huge amount.

The Commission came to the realization, during its hearings, that the directors of autonomous authorities had become a self-perpetuating, closed circle of directors, often impervious to new ideas, a situation which could be rectified to some extent by broadening and enlarging their membership. Accordingly, Chairman Wilson sponsored P. L. 1969, Chapters 262 and 263, dealing with the New Jersey Turnpike Authority and New Jersey Highway

Authority, respectively, increasing the membership of their boards each from 3 to 5 members, making 3 members a quorum, requiring the vote of 3 members for action by the respective authority, and in the case of the New Jersey Highway Authority, decreasing the term of office from 9 to 5 years.

As a result of this legislation, our three major New Jersey authorities dealing with transportation, the N. J. Expressway Authority, the N. J. Turnpike Authority and the N. J. Highway Authority, will all have similar make-up insofar as composition of the boards is concerned, each having 5 members with 5-year terms. This enables the Governor to appoint a new Commissioner or to retain old Commissioners — thus doing away with the old type of self-perpetuating boards, where it was difficult for new ideas to penetrate and to take hold. By giving the Governor the opportunity to infuse new thinking into these authorities, they are in turn enabled to grow with the times, with the emerging technology, to stay modern and up-to-date.

It is almost too elemental to mention that New Jersey needs a modern, well-planned and coordinated transportation system, buttressed on the New Jersey Turnpike and the Garden State Parkway.

Mention was made earlier in this Report of the public awareness generated by this Commission concerning the World Trade Center and the Cultural Center. As a result of the Commission and Senator Rinaldo's sponsorship and efforts, this Legislature passed — indeed, even overrode the veto of then Governor Hughes in passing — P. L. 1968, Chapter 348, and P. L. 1969, Chapters 196 and 197, relating to the New Jersey Highway Authority, New Jersey Expressway Authority and New Jersey Turnpike Authority, respectively, and expressly limited each authority to projects "directly related to the use of the express highway, superhighway or motorway," etc., so that henceforth, projects of dubious relationship to highway management, such as the cultural center, could no longer be embarked upon.

P. L. 1971, Chapter 245, which the Commission Chairman, Assemblyman Kenneth T. Wilson, was instrumental in moving in the Assembly, and Senator Del Tufo, a member of the Commission in the Senate, dealt for the first time with rail connections between Newark Airport (and John F. Kennedy Airport) and nearby existing track-beds, so that entry and exit from the airports could be facili-

tated, thus permitting greater efficiency at the airports and promoting air travel and trade.

No less important are those elements of legislation which are pending at the time of the writing of this report and which hopefully, will have been enacted by the end of the session or in future sessions. One of the defects in regard to the Port Authority revealed by the Commission hearings was that the Port Authority was not paying its fair share of local taxes. Assembly No. 472 (1970), which has passed the Assembly and is now in the Senate, provides that real estate of the Port Authority not used for its authorized purposes loses its tax exemption. A related measure is Assembly No. 473 (1970), now in the Assembly Taxation Committee, which compels the Port of New York Authority to enter into agreements with municipalities providing for the payment of a fair and reasonable sum in lieu of taxes, equal to the taxes which would be paid if the property were assessed as taxable property.

The Commission and other legislators insisted that legislation creating the New Jersey Sports and Exposition Authority be amended to include a provision for a sliding scale of payments in lieu of taxes, i.e., a fixed fraction of the municipal budget each year, for each municipality in which such authority acquired property. The amendment also clearly providing that such property be fully taxable in accordance with the formula. See Appendix B.

Effective control over the operations of autonomous authorities, particularly those operating solely in New Jersey, would seem to compel the intervention and approval of the Governor of the State of New Jersey. The Governor, as the chief executive officer of the State, reflects the will of the people and should clearly have that measure of control over the operations of authorities. The Governor already had such control over the Port of New York Authority, the Delaware River Port Authority and the New Jersey Turnpike Authority, and simple logic would compel similar treatment for the other major New Jersey authorities. Yet, when the New Jersey Highway Authority and New Jersey Expressway Authority were established, gubernatorial veto power was, for some reason or other, omitted from the enacting legislation. Such lapses were sought to be cured by Assembly No. 2140 and 2141 of 1971, both passed by the Assembly and now in the Senate and both providing for veto

power by the Governor of the State of New Jersey over the actions and decisions of those two authorities. The Commission concerned itself not only with major or obvious issues. It delved also into more routine, day-to-day functions of authorities where there seemed to be room for improvement, saving of public money, etc. The Commission was instrumental in the sponsoring of Assembly No. 2556 of 1971, which changed the reporting date for the Turnpike and Highway authorities. The Commission had discovered that the use of the former date required the employment of personnel in greater amount, at overtime rates, and thus represented a true waste of public money. By altering the reporting date, the reporting date for these two authorities was not only brought in line with the Expressway Authority, but there was a substantial saving of public money by permitting the two major authorities to prepare their annual reports during regular working hours and with their regular personnel. The Commission rightly took pride in this step forward, albeit one which did not appear, on its face, to be a significant piece of legislation.

The bringing in of "new blood," bringing in of new ideas, to the management of autonomous authorities, led to Assembly passage (and present Senate consideration) of Assembly No. 2143 of 1971, which staggers the terms of the commissioners of the Delaware River Port Authority. Almost all other major authorities stagger the terms of their boards and the Delaware River Port Authority is the exception to the rule. It is to be noted that the infusion of new blood is not done at the expense of continuity or experience which is maintained.

The Passaic Valley Sewerage Commissioners and the operations of that Commission came within the purview of this Commission. As a result of that study, Assembly No. 2435 of 1971 (now in the Senate) and Nos. 2434 and 2436 of 1971 (still in the Assembly) commence dealing with the problems raised. They make positions with the Sewerage Commission classifiable as civil service to the extent possible, they allocate membership of the Commissioners among the counties represented, and they provide for the first time that the Governor inspect the Commission minutes.

Assembly No. 2435 of 1971 and the other bills deserve special mention. The Passaic Valley Sewerage Commission is the largest

authority of its type in the State. The influence of that Commission and the effect that its activities have state-wide are significant. Traditionally, the Governor has appointed two of its Commissioners from Essex County, two from Passaic County, and one from Bergen County, but such selections were based solely on tradition and not upon statutory authority or requirement. Assembly No. 2435 of 1971 and the others would allocate the memberships on the Commission in accordance with the counties serviced by the Commission, thus preventing the utilization of the Passaic Valley Sewerage Commission for political purposes and enabling the Commission to obtain the most competent personnel for its operations. The Statement appended to Assembly No. 2436 of 1971 deserves quotation at this juncture:

STATEMENT

The purpose of this bill is to give the Governor veto power over certain of the activities of the Passaic Valley Sewerage Authority in the same manner as he would exercise similar authority over the Turnpike Authority, Delaware River Port Authority and the Port of New York Authority. The bill would require that the minutes of the meetings of the commissioners be transmitted to the Governor. If he disapproved of any action of the commissioners, he would then have 10 days (Saturdays, Sundays and holidays excepted) to return the minutes with his objection, if he so chose. If approved by the Governor prior to the end of the 10 days the minutes would have force and effect when so approved.

The Passaic Valley Sewerage Authority is the largest and most important such agency in the State of New Jersey. This Authority is responsible for furnishing services important to the basic health and welfare of the residents in the area served. In view of the need for a well-planned, coordinated program for sewerage disposal, it is essential that activities of the authority be more closely controlled. Through the Governor and the Commissioner of Environmental Protection, future activities and programs of the commissioners can be developed more effectively and efficiently in terms of the needs of the people of this State.

For a Commission involved in a new area, such as the Autonomous Authorities Study Commission, the above list of legislation, both enacted and pending, is an impressive array of accomplishment. Certainly, it cannot be denied that regulation — indeed, that long-needed regulation — is being brought to bear in a difficult area for the very first time, and is being imposed upon enterprises which contended strenuously against any form of regulation, insisting that there was absolutely no need for such intervention.

We cannot, however, rest on our laurels. Much more remains to be done. In a succeeding section, under the heading "recommendations," we discuss additional steps which must be undertaken.

But to this point, a formidable body of law has been added to the statute books, a substantial beginning has been made to the control of what before had been strictly without control, and this Legislature may properly take pride in the progress which has been made.

In Appendix B attached hereto appears the act setting up the New Jersey Sports and Exposition Authority, which should serve as a model of a statute for the establishment of authorities in the future.

IX

Recommendations

A Report such as this would be incomplete if it omitted to indicate those areas in which more remains to be done. This is perhaps the most useful area of concern, because the scope and nature of the control of autonomous authorities will most certainly grow as public awareness of them grows.

Among the recommendations for future action, or of problems which must be solved, are the following:

1. The state or states which gave life to these authorities should conduct audits of the major authorities on a rotating basis. Once the schedule is established, it should be strictly adhered to. After authorities are created, they are all too often left forgotten by the legislative and executive branches. In order that the work of this Commission bear fruit, the Executive and the Legislature should re-orient themselves toward a careful and continuous scrutiny of such authorities and not abdicate their responsibilities in regard to them. For example, the State of New Jersey has had since 1950 (Chapter 90, Laws of 1950) the right to audit the books of the Port of New York Authority, yet this is being done now for the very first time, 22 years after the privilege came into existence.

2. New Jersey statutes should provide that the boards of the major New Jersey transportation authorities should meet at least four times per year with the New Jersey Commissioner of Transportation in order that they may coordinate their activities and planning. This would cover the Delaware River Port Authority, the Port of New York Authority, the New Jersey Turnpike Authority, the New Jersey Highway Authority and the New Jersey Expressway Authority. At the present time, such meetings are being held, but only at the request of the Governor and when so requested.

3. Authorities must be prevented from building their debt structure indefinitely so that they can never liquidate. They must be in

the nature of self-limited and self-liquidating enterprises, in some cases with a built-in timetable for discontinuance.

4. To the extent that authorities have master plans for future development, the public must be made privy to all such plans; likewise, such authorities must be made to conform their master plans to the master plans of the communities in which they are operating so that they can better serve such communities.

5. The machinery of state government, either executive or legislative or both, should include provision for continuous review and monitoring of autonomous authorities, with further provision for the enactment of added regulatory legislation as needed.

6. Authorities must be limited to essentially governmental or quasi-governmental business and not be permitted to engage in competition with private business where private business can be effective; in addition, even within that framework, the exact scope of the operations of each authority should be spelled out in advance.

7. Statutory provisions should require the prompt dissolution of each authority as its function is achieved, together with the transfer of its funds and properties to its corresponding governmental counterpart.

8. Authorities must be compelled to issue detailed and public reports which present an accurate and informative account of their activities and finances.

9. Those functions of authorities which are essentially rate-making should be controlled by the State just as the State controls all such rate-making functions. There should be the opportunity in all such operations for the public to present testimony and evidence—in other words, to give true representation to the general public—at hearings held for the purpose of examining the proposed rates, charges, costs, etc., inherent in the operations of such authorities.

10. Such authorities should have uniform personnel, hiring and related rules, similar to if not actually under civil service, and free from the abuses inherent in such situations. The discussion above regarding the Passaic Valley Sewerage commission is relevant in this regard, where the board and staffs of such authorities can be infused with a high degree of professionalism and be free from political influence.

11. Public officials must not abdicate their responsibilities in connection with the raising of revenues for necessary funds. It has become too frequent for legislators to create an authority every time it seemed too difficult to raise the funds necessary for some worthwhile project, merely because of the expediencies of balanced budgets and the like.

12. There should be solicited for service on these autonomous authorities those citizens who have the time and sense of responsibility to serve; such people would make better members of boards than people chosen only because they are people of prestige. In that connection, there should be more professional representation on the boards, to provide them with the "know-how" necessary for the conduct of such authorities.

13. Legislatures should completely re-examine the underlying assumptions under which authorities have been set up in the past, and to establish new ones in the future only reluctantly and only if there is no other feasible means of accomplishing the desired result without an autonomous authority.

14. Authorities must be made to pay their fair share of taxes to the local governments, similar to the above-mentioned provision in the New Jersey Sports and Exposition Authority. In any event there are many present instances where, even in the pursuit of purely commercial and non-governmental businesses, authorities are obtaining unfair advantage from their almost complete tax exemption.

X

Appendix A

I. County Improvement Authorities

Size of Boards — Five Members.

Term of Office — Five Years.

Method of Selection — Appointed by County.

Ex Officio Membership — None.

Compensation — None; Reimbursed for Expenses.

Selection of Officers — Chairman and Vice-chairman Elected by Members.

Quorum and Majority — Three Members Constitute Quorum.

Removal of Board Members — Removed by Governing Body of County after hearing and ten day notice.

Administration of Authorities — Complete Discretion as to Needs and Practices.

Affiliations — County Governing Body.

Approval of Contracts, Leases and Projects — County Governing Body; Department of Conservation and Economic Development.

Regulations of Rates and Services — Complete Discretion.

Approval of Bond Issues — Approved by County Governing Body.

Veto — None; Except when required, County Approval is Necessary.

Annual Audit — Required.

Payments in Lieu of Taxes — Yes.

Eminent Domain — Yes.

Disposition of Assets — Assets Revert to County.

Life of Authorities — Perpetual Succession.

County Improvement Authorities

Purpose and Creation of Authority

The County Improvement Authorities Act was created in 1960 to guarantee:

(a) the development of public lands and property.

(b) provision within the county of public buildings for use by the State, the county, or any municipality in the county.

(c) provision within the county of structures, franchises, equipment, and facilities for operation of public transportation or for terminal purposes.

(d) provision within the county of structures or facilities relative to development and improvement of aviation for military or civilian purposes.

(e) and acquisition of any real property within the county from the United States Government and its improvement and proper use.

Any county may create an authority for the purposes aforementioned provided that there be 45 days public notice after filing with the Secretary of State.

General Organization of Authorities

Membership of Authorities: Terms of Office

After expiration of the period of 45 days following public filing, five members are appointed by the county governing body. The members first appointed are designated to serve for terms respectively expiring on the first days of the first, second, third, fourth and fifth Februarys next ensuing after the date of their appointment. On or after January 1, on each year after such first appointments, 1 person is appointed as a member of the authority for a term commencing on or after February 1 in such year and expiring on February 1 in the fifth year after his appointment.

Election of Officers

Every authority, upon the first appointment of its members and thereafter on or after February 1 in each year, annually elects from among its members a chairman and a vice-chairman.

Quorum at Authority Board Meetings

Three members constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the authority at any meeting of the members by the affirmative vote of 3 members, unless individual by-laws require a larger number.

Compensation to Authority Board Members

The members of an authority serve without compensation, but the authority may reimburse members for necessary expenses incurred in the discharge of their duties.

Removal of Authority Board Members

A member of an authority may be removed by the governing body of the county for incapacity, inefficiency or neglect of duty or misconduct in office or other disqualifying cause and after he has been given a copy of the charges against him and not sooner than 10 days thereafter, been afforded a hearing.

Administration of Authorities

Every authority has the power to appoint and employ, without regard to Civil Service, a secretary, a treasurer, an executive director and a chief engineer and other agents and employees as it requires.

Control of Authority by Elected Officials

Affiliation and Coordination of Authority with Regular Government Agencies Authorization of New Authority Projects.

By virtue of its creation a county improvement authority is responsible to the governing body of the county it is serving. Whenever an authority after investigation and study plans to undertake any publice facility (other than a development project) such authority must make to the governing body of the county a detailed report.

The authority can not construct or acquire public facilities, or make any lease or agreement relating to use by any governmental unit or person for a term in excess of 5 years, until there has been filed with the authority a copy of a resolution adopted by the governing body of the county consenting to the construction or acquisition by the authority or the making of such leases or other agreements.

Approval of Authority Contracts or Leases:

Authorization of New Authority Projects

Unless otherwise required by any agreement of the authority with holders of its bonds, no authority can sell any part of a development project or make any lease or other agreement relating to use by any governmental unit or person for a term in excess of 5 years, until the Commissioner of Conservation and Economic Development has approved a plan prepared by the authority; or unless such sale, lease or other agreement, in the opinion of the authority, is necessary or desirable in order to effectuate and carry out the development plan.

Every authority is given the power to sell or otherwise dispose of all or any part of any development project or to lease the same to any governmental unit or person or make agreements of any kind with any governmental unit or person for the use or operation of facilities. In the exercise of such power, the authority may make any land or structure in the development project available for use by private enterprise or governmental units in accordance with the development plan.

Regulation of Authority Rates and Services

Every authority is authorized to charge and collect tolls, rents, rates, fees or other charges in connection with, or for the use or services of, any public facility or other property owned or controlled by the authority. The facility charges fixed, charged and collected by an authority with respect to any public facility must comply with the terms of any lease or other agreement of the authority with regard to such public facility, and the facility charges fixed, charged and collected by an authority may be so adjusted that the revenues will at all times be adequate to pay all expenses of the authority.

Authorization and Approval of Authority Bonds

For the purpose of raising funds to pay the cost of any public facility or for the purpose of funding or refunding any bonds, an authority has the power to authorize or provide for the issuance of bonds, by a resolution which: describes in brief and general terms the facility or project to be constructed or acquired, or describes the bonds which are to be funded or refunded, states the cost or estimated cost of project, and provides for the issuance of the bonds.

The authority cannot authorize the issuance of bonds except upon finding by the authority, expressed in the bond resolution providing for the issuance of such bonds, and that there be filed with the authority a copy of a resolution adopted by the governing body of the county requesting the acquisition or construction and operation by the authority of said public facility, or requesting the acquisition or construction by the authority of said public facility for operation by the county or by any governmental unit or person under leases or other agreements.

Auditing of Authority Finances

Each authority must cause an annual audit of its accounts to be made. The audit must be completed and filed with the authority within 4 months after the close of the fiscal year of the authority and a certified duplicate copy filed in the office of the Division of Local Government in the Department of the Treasury and in the office of the treasurer of the county within 5 days after the original report is filed with the authority by a certified New Jersey public accountant.

The Acquisition, Possession, and Disposition of Real Property by Authorities

Every authority and every municipality in which any property of the authority is located are authorized to enter into agreements with respect to the payment by the authority to such municipality of annual sums of money in lieu of taxes on such property in such amounts as may be agreed upon between the authority and the municipality, provided, however, that no such annual payment with respect to any parcel exceed the amount of taxes paid for the taxable year immediately prior to the time of its acquisition by the authority.

Power of Eminent Domain

The authorities are empowered to acquire and take real property including public property or interests, by condemnation, by the provisions granted by the powers of eminent domain with consent by the county which created the authority given by resolution adopted by its governing body.

Disposition of Assets Upon Authority Termination

The governing body of any county which has created an authority may by resolution dissolve the authority if either such authority has no debts or obligations outstanding or all creditors or other obligees of the authority have consented to said resolution. A copy of resolution, certified by the clerk of governing body must be filed in the office of the Secretary of State and the office of the Division of Local Government. Upon proof of no debts or obligations the authority can be lawfully dissolved. Thereupon, all right, title and interest of the authority becomes vested in the county, except that any particular property shall vest in any other government unit or person if the terms of a lease or agreement so specify.

Life of Authorities

The authorities are granted the rights of perpetual succession.

2. Delaware River and Bay Authority

Member States — New Jersey and Delaware.

Size of Boards — Five New Jersey Members — Five Delaware Members.

Terms of Board Members — Five Years.

Method of Selection — Appointed by Governor with Advice and Consent of Senate.

Ex Officio Membership — None.

Compensation — Reimbursed for Expenses.

Selection of Board Officers — Commissioners Elect from Board

Quorum and Majority —

3 Present
3 Favorable } From Each State.

Removal of Board Members – Provided by Removal Law of New Jersey.

Administration – Commission Employs Professional Personnel.

Veto of Board Actions – Ten Day Governors Veto.

Civil Service Regulations – None.

Authorization of New Projects – By State Law.

Approval of Contracts and Leases – Self Discretion Granted.

Bonds – Power to Issue Bonds Granted.

Regulation of Rates and Services – Self Regulated.

Annual Audit – Required.

Annual Report – Required.

Tax Status – Exempt.

Payments in Lieu of Taxes – None.

Power of Eminent Domain – Granted.

Disposition of Assets – Self Determination.

Life of Authority – Perpetual Succession.

Facilities Operated

Delaware Memorial Bridge
Cape May – Lewes Ferry

Delaware River and Bay Authority

Purpose of Authority and Creation

The State of Delaware and the State of New Jersey entered into the Compact creating the Delaware River and Bay Authority in 1961 with the consent of the Congress of the United States of America, as a body politic and an agency of government of the State of New Jersey and the State of Delaware.

The purposes for its creation are: the planning, financing, development, construction, purchase, lease, maintenance, improvement and operation of crossings between the two States, across the Delaware river or bay at any location south of the boundary line between the State of Delaware and the Commonwealth of Pennsylvania as extended across the Delaware River to the New Jersey shore of said river, together with such approaches or connections thereto as in the judgment of the Authority are required to make

adequate and efficient connections between such crossings and any public highway or other routes in the two States. Also, the planning, development, etc., of any transportation or terminal facility within those areas of both States which border on or are adjacent to the Delaware River or bay south of the aforesaid line and which in the judgment of the States is required for the sound economic development of the area.

Facilities Operated

Delaware Memorial Bridge
Cape May – Lewes Ferry

General Organization

Number of Commissioners

The Authority consists of 10 commissioners, 5 of whom are residents and qualified to vote in the State of Delaware, and 5 of whom are residents and qualified to vote in the State of New Jersey. Not more than 3 of the commissioners of each state can be of the same political party.

Method of Selection of Commissioners

The commissioners for the State of New Jersey are appointed by the Governor with the advice and consent of the Senate, and 3 of the 5 commissioners must be residents of the area embraced by the counties of Salem, Cumberland and Cape May.

Term of Office for Commissioners

Each commissioner is appointed for a term of 5 years, and until his successor has been appointed and qualified. The term of one commissioner from each state expires every year.

Ex-Officio Membership

There are no provisions set forth for ex officio membership.

Compensation for Services

Commissioners are entitled to reimbursement for necessary expenses to be paid only from revenues of the Authority and may not receive any other compensation for services to the Authority except

such as may from time to time be authorized from such revenues by concurrent legislation.

Selection of Board Officers

The commissioners elect a chairman and a vice-chairman from among the commissioners. The chairman and vice-chairman must be elected from different States, and holds office for 2 years. The chairmanship and vice-chairmanship must be alternated between the 2 States.

Majority and Quorum for Board Actions

No action of the commissioners is binding unless taken at a meeting at which at least 3 commissioners from each State are present, and unless at least 3 commissioners from each state vote in favor of the measure.

Administration of Authority

The board of commissioners has the express power to appoint, or employ, other officers, agents, attorneys, engineers, and employees as it requires for the performance of its duties.

Control Authority by Elected Officials

Removal of Commissioners

Each commissioner for the State of New Jersey is deemed a State officer and subject to investigation, inquiry, and removal upon the same grounds and procedures as may be provided by the law of this State.

Affiliation and Coordination of Authority with Regular Government Agencies and Departments

The Authority has the express power to coordinate and cooperate with any and all local, state and federal agencies and departments in the execution of its powers and functions.

Veto of Authority Actions

The vote of any 1 or more of the commissioners from each State is subject to veto by the Governor of such State at any time within

10 days after receipt at the Governor's office of a certified copy of the minutes of the meeting at which the vote was taken.

Personnel Practices

There are no provisions for Civil Service regulations, but the Authority has created a comprehensive Personnel Manual for the protection and benefit of its employees.

Authorization of New Projects

For the purpose of effectuating the authorized purposes of the Authority, additional powers may be granted to the Authority by legislation of either State without the concurrence of the other, and may be exercised within such State, or may be granted to the Authority by Congress and exercised by it; but no additional duties or obligations shall be undertaken by the Authority under the law of either State or of Congress without authorization by the law of both States.

Approval of Contracts and Leases

The Authority has the power granted to it to enter into contracts and agreements deemed necessary or advisable for the exercise of its purposes and powers.

Statutory Controls

Approval of Bond Issues

The Authority is given the power to borrow money and to evidence such loans by bonds, notes or other obligations, either secured or unsecured, and either in registered or unregistered form, and to fund or refund such evidences of indebtedness, which may be executed with facsimile signatures of such persons as may be designated by the Authority and by a facsimile of its corporate seal.

Regulation of Rates and Services

The Authority is authorized to establish, levy and collect tolls and other charges as it deems necessary, proper or desirable, in connection with any crossing, transportation or terminal facility or other project which it is authorized at anytime to construct, own, operate

or control. These rates and charges are to be adjusted to cover all expenses and debts of the Authority.

Auditing of Finances and Report

The Authority must make an annual report to the Governors and Legislatures of both States, setting forth in detail its operations and transactions. It must also have an annual independent audit of its fiscal affairs and deliver one copy to the State Auditor and three copies to the Governor.

Acquisition, Possession, and Disposition of Real Property

Tax Exempt Status

There are no provisions set forth in the compact or supplements pertaining to any payments in lieu of taxes. However, the Authority under (Article XIII) is exempt from paying any taxes or assessments of any character, levied by either State or political subdivision.

Power of Eminent Domain and Condemnation

If the Authority finds that any property or interest is required for furtherance of its purposes, it has the power to exercise the right of eminent domain along with all rights of condemnation.

The power of the Authority to acquire property by condemnation is a continuing power.

The Authority may also acquire property by gift, purchase, lease, use, or franchise.

Disposition of Assets Upon Termination

The disposition of assets is covered under (Article VII of the Compact). The general power of the Authority to determine the use of its money also applies to the disposition of assets upon termination. No other statutory ruling covers this area in the Compact or its Supplements.

Life of Authority

Under (Article VII of the Compact) the Authority is granted the power to have perpetual succession.

3. Delaware River Basin Compact

Member States — New Jersey, Pennsylvania, Delaware, New York and Federal Government.

Size of Board — Four Governors of Signatory States, (Ex-officio); One United States Commissioner; One Alternate for Each Governor.

Terms of Board Members—Method of Selection — Governors Serve During Elected Term as Governor; Commissioner Serves During Elected Term of President; Alternates Serve During Elected Term of Appointing Member.

Ex Officio Membership — All Governors.

Compensation — Reimbursed for Expenses.

Election of Officers — Board Elects from Members.

Majority and Quorum — Majority of Total Membership.

Removal of Board Members — Alternates Removed at the Pleasure of Appointing Member.

Administration — Commission Employs Professional Personnel.

Veto of Board Actions — None.

Civil Service Regulations — None.

Authorization of New Project — Consent of All Signatory States; Ten Day Public Notice.

Approval of Contracts and Leases — Public Bidding.

Bonds — Powers to Issue Bonds Granted.

Regulation of Rates and Services — Public Hearing and Notice.

Annual Audit — Required.

Annual Report — Required.

Tax Status — Exempt.

Payment in Lieu of Taxes — Yes.

Power of Eminent Domain — Granted.

Disposition of Assets — Provided by Act of Congress.

Life of Compact — Initial Period of 100 Years with Continuation Clause.

DELAWARE RIVER BASIN COMPACT

Purpose and Creation

The Commission was created in 1961 by compact of the Federal Government and the States of New Jersey, Pennsylvania, Delaware and New York to continually plan, develop and manage for all purposes the water resources of the 12,750 square mile basin and service area populated by more than 21 million persons. President Kennedy signed the Compact September 27, 1961. The Commission's long-range Comprehensive Plan contains policies and projects involving flood control, water supply, hydroelectric power, recreation, anti-pollution and soil conservation:

Responsibilities:

Water Supply
Pollution Control
Flood Protection
Watershed Management
Recreation
Hydroelectric Power
Regulation of Withdrawals and Diversions

In general, the purposes of this Compact are to promote interstate comity, to remove causes of present and future controversy; to make secure and protect present developments within the States; and to encourage and provide for the planning, conservation, utilization, development, management and control of the water resources of the basin.

General Organization

Commission Members; Term of Office

The Commission consists of the Governors of the Signatory States, ex-officio, and 1 commissioner appointed by the President of the United States to serve during the term of office of the President. Each member of the Commission appoints an alternate to act in his place with authority to attend all meetings of the Commission, and with power to vote in the absence of the member. Each alternate serves during the term of the member appointing him, subject to

removal at the pleasure of the member. In the event of a vacancy in the office of alternate, it shall be filled in the same manner as an original appointment for the unexpired term only.

Compensation for Services

Members of the Commission serve without compensation but may be reimbursed for necessary expenses incurred in and incident to the performance of their duties.

Election of Officers

The board annually elects a chairman and vice-chairman from among its members. Each member may appoint an advisor at his discretion to serve without compensation, who may attend all meetings of the Commission and its committees.

Administration of Commission

The administration of the Commission consists of an executive director and such additional officers, deputies, and assistants as the commission may determine. The executive director is appointed and may be removed by the affirmative vote of a majority of the full membership of the Commission. All other employees are appointed by the executive director.

Majority and Quorum for Board Action

Each member of the Commission is entitled to one vote on all matters which may come before the Commission. No action of the Commission is taken at any meeting unless a majority of the membership votes in favor of the measure.

Control by Elected Officials

Affiliation and Coordination of Commission with Regular Government Agencies and Departments

The Commission is obligated to utilize and employ any and all existing offices and agencies of government operating in the areas concerned. The Commission is authorized to promote and aid the coordination of the activities and programs of Federal, State, Municipal and private agencies concerned with water resources administra-

tion in the basin. The Commission may advise, consult, contract, financially assist all these agencies.

In each area of responsibility authorized to the Commission it is granted general powers to cover standards of planning, design and operation of all projects and facilities in the basin which affect its water resources.

Authorization of Commission Projects

Under a Supreme Court decree the Commission is directed to seek consent of all signatory parties in order to guarantee individual rights and equitable treatment for all parties concerned.

No project having a substantial effect on the water resources of the basin can be undertaken by any person, corporation or governmental authority unless it is first submitted to and approved by the Commission. Any determination of the Commission is subject to judicial review in any court of competent jurisdiction.

All meetings of the Commission are opened to the public. The Commission must conduct at least one public hearing prior to adoption of a comprehensive plan, water resources program, annual capital and current expense budgets, the letting of any contract for the sale or other disposition by the Commission of hydroelectric energy or water resources to any person, corporation or entity, and in all other cases wherein the Compact requires a public hearing Such hearings are to be held upon at least ten days public notice.

The minutes of the Commission are to be public records open to inspection.

Regulation of Rates and Services

The Commission from time to time after public notice and hearings may fix, alter and revise rates, rentals, charges and tolls and classifications, for the use of facilities which it may own or operate without regulation or control by any department, office or agency of any signatory party.

Authorization of Contracts and Leases

Contracts for the construction, reconstruction or improvement of any facility when the expenditure required exceeds $10,000 and con-

tracts for the purchase of services, supplies, equipment and materials when the expenditure required exceeds $2,500.00 must be advertised and let upon sealed bids to the lowest responsible bidder.

Commission Finances: Bonds

The Commission is granted the power to borrow money for any of the purposes of the Compact, and it may issue its negotiable bonds and other evidences of indebtedness. All such bonds are to be paid out of the properties and revenues of the Commission. The bonds and other obligations of the Commission are direct and general obligations of the Commission.

Bonds and other indebtedness of the Commission are authorized by resolution of the Commission. The Commission has full power over creation, sale, disposition, covenants and other provisions other than any restriction on the regulatory powers vest in the Commission. The Compact contains a comprehensive outline of sections dealing with bonds and their creation, disposition, funding, authorization, maturity, exemption, interest, place of payment, execution, sale, negotiability, legality, validation, recording and remedies.

Annual Audit and Report

As soon as practical after the closing of the fiscal year, the Commission must make an audit of the financial accounts of the Commission. The audit must be made by qualified certified public accountants selected by the Commission, who have no personal interest direct or indirect in the financial affairs of the Commission or any of its officers or employees. The report of audit must be prepared in accordance with accepted accounting practices and be filed with the chairman and such other officers as the Commission directs. Copies of the report are to be made available for public distribution.

The Commission must make and publish an annual report to the Legislatures of the signatory parties and to the public reporting on its programs, operations and finances.

Acquisition, Possession, and Disposition of Real Property

Tax Exempt Status: Payments In Lieu of Taxes

The Commission, its property, functions, and activities shall be exempt from taxation by or under the authority of any of the signatory

parties or any political subdivision thereof; provided that in lieu of property taxes the Commission shall, as to specific projects, make payments to local taxing districts in annual amounts which shall equal the taxes lawfully assessed upon property for the tax year next prior to its acquisition by the Commission for a period of 10 years.

The nature and amount of such payments shall be reviewed by the Commission at the end of 10 years, and from time to time thereafter, upon reasonable notice and opportunity to be heard to the affected taxing district, and the payments may be thereupon terminated or continued in such reasonable amount as may be necessary or desirable to take into account hardships incurred and benefits received by the taxing jurisdiction which are attributable to the project.

Eminent Domain and Condemnation

The Commission has the power to acquire by condemnation the fee or any lesser interest in lands, lands lying under water, development rights in land, riparian rights, water rights, waters and other real or personal property within the basin for any project or facility authorized pursuant to the Compact. This power of eminent domain includes but is not limited to the power to condemn for the purposes of the Compact any property already devoted to a public use, by whomsoever owned or held, other than property of a signatory party and any property held, constructed, operated or maintained in connection with a diversion authorized by a United States Supreme Court decree. Any condemnation of any property or franchises owned or used by a municipal or privately owned public utility, unless the affected public utility facility is to be relocated or replaced, is subject to the authority of such State board, commission or other body as may have regulatory jurisdiction over such public utility.

The power of condemnation can be exercised in accordance with the provisions of any Federal law applicable to the Commission, if there is no such Federal law applicable, condemnation proceedings can be in accordance with the law of the State in which the property is located.

Life of Compact

The duration of the Compact is for an initial period of 100 years from its effective date, and it is to be continued for additional periods

of 100 years if not later than 20 years nor sooner than 25 years prior to the termination of the initial period or any succeeding period none of the signatory States, by authority of an act of its Legislature, notifies the Commission of intention to terminate the Compact at the end of the then current 100-year period.

Disposition of Assets

In the event that the Compact is terminated, the Commission is dissolved and the assets and liabilities transferred, and its corporate affairs wound up, in such manner as may be provided by act of the Congress.

4. Delaware River Joint Toll Bbidge Commission

Member States — New Jersey and Pennsylvania.

Size of Boards — Five New Jersey and Five Pennsylvania Members.

Terms of Board Members — Three Years.

Method of Selection — Appointed by Governor with Advice and Consent of Senate.

Ex Officio Membership — None for New Jersey, Pennsylvania appoints members.

Compensation — None.

Selection of Board Officers — Rotation System.

Quorum and Majority — Majority of Both States.

Removal of Members — No Provisions.

Administration — Commission Employs Professional Personnel.

Veto of Board Actions — Ten Day Governor's Veto.

Civil Service Regulations — None.

Authorization of New Projects — Authorization by Statute.

Approval of Contracts and Leases — Self Discretion Granted.

Bonds — Power to Issue Bonds Granted.

Regulation of Rates and Services — Self Regulated.

Annual Audit — Required.

Annual Report — Required.

Tax Status — Exempt.

Payments in Lieu of Taxes — None.
Power of Eminent Domain — Granted.
Disposition of Assets — Reverts to General State Fund.
Life of Authority — Perpetual Succession.

Facilities Operated

18 Bridges.

Delaware River Joint Toll Bridge Commission

Purpose of Authority and Creation

New Jersey and Pennsylvania agreed in 1934 to establish a commission to take over the operation of joint state-owned bridges north of the Pennsylvania Railroad Bridge at Trenton. The Commission was authorized also to construct additional bridges, to issue bonds, and to collect tolls for the redemption of the bonds. Congress gave its approval to the agreement in 1935. A supplemental agreement in 1947 enlarged the Commission's jurisdiction to include the area as far south as the boundary line between Mercer County and Burlington County. The Commission was authorized to replace existing bridges at such locations as it might determine and to construct necessary approach highways. A supplemental compact in 1953 authorized the Commission to construct and operate port and terminal facilities north of the Philadelphia-Bucks County line.

Facilities Operated by Commission

The Commission operates 18 bridges, 5 of which are toll bridges and the balance are free.

District of Jurisdiction

The district of jurisdiction comprises all of the territory within the counties of Bucks, Northampton, Monroe and Pike in Pennsylvania, all of the territory within the counties of Sussex, Warren, Hunterdon, and Mercer in New Jersey, and that part of the territory within the county of Burlington in New Jersey north of the northerly bank of Rancocas Creek as said creek and its north branch extend in a general easterly direction from the Delaware River and through Mount Holly, Pemberton and Browns Mills and other communities to the Burlington-Ocean County boundary line in New Jersey.

General Organization:

Number of Commissioners: Method of Selection: Term

The board of commissioners consists of ten members appointed by the Governor for three year terms, with the advice and consent of the Senate. Pennsylvania allows ex officio members on the Commission to appoint deputies to attend meetings in their stead.

Compensation for Services

Commission members serve without compensation for their duties.

Selection of Board Officers

The Commission's Bylaws require adherence to the principal of rotation between the States on an annual basis, of the offices of chairman and vice-chairman, and practice has established the precedent of the secretary-treasurer being a Commission member, or deputy from the same State as the chairman. The Commission may also appoint an engineer to the Commission. Neither the secretary-treasurer nor the engineer need be a member of the Commission.

Majority and Quorum for Board Actions

No action of the Commission is binding unless a majority of the members of the Commission from Pennsylvania and a majority of the members of the Commission from New Jersey vote in favor of the action.

Removal of Board Members

There are no procedures set forth in the Compact for removal of commissioners.

Administration of Commission

The administration of the Commission is the function of the commissioners. In order to facilitate the day to day operations, commissioners have the express power to appoint such officers, agents and employees as it requires for the performance of its duties.

Control of Commission by Officials

Affiliation of Commission with Regular Government Agencies

The Commission has the power to petition, coordinate and cooperate with the Interstate Commerce Commission, any public service or public utilities commission, or any other Federal, State or local authority. The State Highway Departments of both States, by virtue of Article X, must file approval of certain proposals of the Commission before it can take action on the particular proposal.

Veto of Commission Actions

Three copies of the minutes of every meeting of the Commission must be transmitted, by and under the certificate of the secretary, to the Governor of each State at the executive chamber at the State Capitol. No action taken at such meetings by any commissioner from either State has force or effect for a period of 10 days after the minutes have been delivered. If neither Governor returns the minutes within 10 days, the action therein recited will have force and effect according to its wording. If either Governor, within 10 days, returns the minutes with the veto against the action of any commissioner from his State, the action of such commissioner is null and of no effect.

Civil Service Regulations

There are no Civil Service regulations pertaining to Commission personnel practices.

Authorization of New Projects

The Commission cannot proceed with the construction of any additional bridge or port and terminal facilities until expressly authorized by statute of the two States.

Approval of Contracts and Leases

The Commission, by virtue of Article II of the Compact, has the power to grant contracts or leases.

Statutory Controls over Finances: Approval of Authority Bond Issues

The Commission has the power to borrow money upon its bonds or other obligations, either with or without security and provide

from time to time for the issuance of its bonds or other obligations for any one or more of its corporate purposes; all bonds and other obligations issued by the Commission fill all the qualities and incidents of negotiable instruments.

Regulation of Rates and Services

The Commission also has the power to fix, charge, and collect fees, rentals, tolls and other charges for the use of any of its ports and terminal facilities and is authorized to establish, levy and collect such tolls, rates, rents and other charges, in connection with any such bridge across the Delaware River which it may construct and operate, as it deems necessary to meet expenses.

Special Toll Exemptions

It is specifically not authorized by the Legislature of New Jersey to collect tolls on bridges crossing the Delaware River that are designated free bridges. Also, no tolls are charged for the passage of any ambulance, first aid or emergency-aid vehicle or any vehicular fire-fighting apparatus or police vehicle, operated for the benefit of the public.

Annual Report and Audit

The Commission must make annual reports to the Governors and Legislatures of the Commonwealth of Pennsylvania and the State of New Jersey, setting forth in detail its operations and transactions.

Acquisition, Possession, and Disposition of Real Property

Tax Exempt Status

The Commission is not required to pay any taxes or assessments upon any of its property acquired or used by it for purposes authorized by the Compact.

Eminent Domain and Condemnation

The Commission has the right to exercise the power of eminent domain and condemnation expressly granted in the Compact. The power of the Commission to acquire real property by condemnation or the exercise of the power of eminent domain in the State of New

Jersey and the Commonwealth of Pennsylvania is a continuing power and non-exhaustable.

Other Methods of Acquisition

The Commission is also granted the power to own, use, lease, operate, and dispose of real property and interest in real property.

Disposition of Assets

The Delaware River Joint Toll Bridge Commission is authorized to sell or otherwise dispose of property, other than bridges and approaches, no longer useful or needed. The proceeds of any such sale are to be paid to the State Treasurer to be deposited to the General State Fund.

Life of Authority

The Commission has the power of perpetual succession.

5. Delaware River Port Authority

Member States — New Jersey and Pennsylvania.

Size of Boards — Eight New Jersey Members and Eight Pennsylvania Members.

Terms of Board Members — Five Years.

Method of Selection — Appointed by Governor with Advice and Consent of the Senate.

Ex Officio Membership — None.

Compensation — None.

Selection of Board Officers — Commissioners Elect from Board.

Quorum and Majority — Both States; Quorum of Five.

Removal of Members — No Provisions.

Administration — Commission Employs Professional Personnel.

Veto of Board Actions — Ten Day Governor's Veto.

Civil Service Regulations — None.

Authorization of New Projects — Authorization by Legislative Action.

Approval of Contracts and Leases — Self Discretion Granted.

Bonds — Power to Issue Bonds Granted.
Regulation of Rates and Services — Self Regulated.
Annual Audit — Not Required.
Annual Report — Required.
Tax Status — Exempt.
Payments in Lieu of Taxes — Yes.
Power of Eminent Domain — Granted.
Disposition of Assets — No Provisions.
Life of Authority — Perpetual Succession.

Delaware River Port Authority

Purpose of Authority and Creation

The Delaware River Port Authority was created by Compact in 1951 to replace the Delaware River Joint Commission which originated in 1932 between the Commonwealth of Pennsylvania and the State of New Jersey.

The purpose for the creation of the authority was: 1. to operate and maintain the bridge, owned jointly by the two States across the Delaware River between the City of Philadelphia and the City of Camden, including its approaches and additions; 2. to operate and maintain railroad or other facilities for the transportation of passengers across any bridge or tunnel owned or controlled by the Authority; 3. the improvement and development of the Port District for port purposes; 4. the construction, acquisition, operation and maintenance of other bridges and tunnels across or under the Delaware River, between the City of Philadelphia and the State of New Jersey; 5. the promotion as a highway of commerce of the Delaware River, and the promotion of increased passenger and freight commerce on the River; 6. the establishment and maintenance of rapid transit system for the transportation of passengers, mail and baggage between points in New Jersey within the Port District and points within the City of Philadelphia and Pennsylvania.

The "Port District" consists of all the territory within the counties of Delaware and Philadelphia in Pennsylvania and all the territory within the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem in New Jersey.

Facilities Operated

Benjamin Franklin Bridge
Walt Whitman Bridge
Lindenwold – Philadelphia Rapid Transit Line
Chester Ferry

Under Construction

Philadelphia – Pennsauken Bridge
Chester – Bridgeport Bridge

General Organization

Number of Commissioners

The Board of Commissioners consists of sixteen members. Eight resident voters of the Commonwealth of Pennsylvania and eight resident voters of the State of New Jersey.

Method of Selection of Commissioners In New Jersey: Term of Office

The commissioners for the State of New Jersey are appointed by the Governor of New Jersey with the advice and consent of the Senate of New Jersey, for terms of five years, and in case of a vacancy occurring in the office of commissioner during a recess of the Legislature, it may be filled by the Governor by an ad interim appointment which shall expire at the end of the next regular session of the Senate unless a successor shall be sooner appointed and qualify and, after the end of the session, no ad interim appointment to the same vacancy shall be made unless the Governor shall have submitted to the Senate a nomination to the office during the session and the Senate shall have adjourned without confirming or rejecting it, and no person nominated for any such vacancy shall be eligible for an ad interim appointment to such office if the nomination shall have failed confirmation by the Senate.

Method of Selection of Commissioners In Pennsylvania

Six of the eight Commonwealth Commissioners are appointed by the Governor of Pennsylvania for terms of five years. The Auditor General and the State Treasurer of the Commonwealth are ex officio

members each having the privilege of appointing a representative to serve in his place.

All commissioners continue to hold office after the expiration of their term until their respective successor is appointed and qualifies.

Compensation For Services

All commissioners serve without compensation.

Selection of Officers and Administrative Staff

The Board elects a chairman, vice-chairman, secretary and treasurer. The secretary and treasurer need not be members of the Commission. The Board also appoints, hires, or employs counsel and other officers and agents as is required for the performance of its duties. The Board of Commissioners appoints an executive director to oversee the day to day operations of the Authority.

Majority and Quorum

A majority of the members of the Commission from Pennsylvania and a majority of the members of the Commission from New Jersey are needed to pass binding action. A quorum of five is required from each State.

Removal of Authority Board Members

There are no provisions for the removal of Board members.

Affiliation and Coordination of Public Authority With Regular Government Departments and Agencies: Ex officio Membership

There are no direct government affiliations with the Authority other than the two State officials appointed by the Governor of Pennsylvania as ex officio board members. However, all coordination of Authority's crossing projects is required with both State Highway Departments. There is also close cooperation with agencies on the State and Federal level whenever a project concerning a particular governmental function is required.

Veto of Authority Board Actions

The minutes of every meeting of the Delaware River Port Authority, must be transmitted, by and under the certification of the secretary thereof, to the Governors of both States.

No action taken at any meeting by the Commission can be enforced or put into effect for a period of 10 days after the minutes have been received by the Governors.

The Governors, within 10 days after the minutes have been delivered must return them with or without their veto on any action therein recited. If the Governors do not return the minutes within 10 days, any action therein recited takes force and effect.

If the Governor of New Jersey or Pennsylvania, within a 10 day period returns the minutes with a veto against the actions of a commissioner from his State, the action is null and void.

Civil Service Regulations of Authority Personnel Practices.

There are no Civil Service Regulations incorporated into authority personnel practices.

Authorization of New Authority Projects

Whenever the Commission after investigation and study shall have concluded plans, with estimates of cost and means of financing, for any new project for a purpose other than any described in Article I of the Compact, for transportation across or under the Delaware River within the Port District or improvement of the Delaware River's port facilities, the Commission shall make to the Legislature of each State a detailed report dealing only with the contemplated project and shall request of said Legislatures authority to proceed with the project described and it shall not be within the power of the Commission to construct, erect, or otherwise acquire any new facility or project, for a purpose other than any described in Article I, unless and until the Legislatures of both States authorize the Commission to proceed with the project outlined in its report.

It shall not be within the power of the Commission to construct, erect or otherwise acquire any new facility or project for a purpose described in Article I, unless and until the Commission shall have made to the Legislature and Governor of the State of New Jersey and to the Legislature and Governor of the Commonwealth of Pennsylvania a detailed report dealing only with such contemplated facility or project, and the Governor of said State and the Governor of said Commonwealth shall have filed with the Commission their written consents to such construction, erection or acquisition.

New Jersey State Library

Approval of Authority Contracts or Leases

The Commission has full power to approve contracts and leases.

Specific Statutory Controls Over Authority Finances

There are no specific statutory controls over Authority finances other than the agreement set forth in Article VI of the Compact, regulating the repayment by the Authority to the two States the money involved in the construction, purchase and maintenance of the bridge jointly turned over to the Authority upon ratification of the Compact.

Approval of Authority Bond Issues

There are no provisions in the Compact or Supplement governing the issuance of bonds other than what is stated in the General powers of Commission. (Article IV Compact)

To borrow money upon its bonds or other obligations either with or without security, and to make, enter into and perform any and all such covenants and agreements with the holders of such bonds or other obligations as the Commission may determine to be necessary or desirable for the security and payment thereof.

Regulation of Authority Rates and Services

The Authority has the expressed power to regulate rates and services as they judge necessary, proper, desirable, reasonable and sufficient.

Auditing of Authority Finances and Submission of Annual Report

The Commission must make annual reports to the Governor and Legislature of each State, setting forth in detail its operations and transactions. Audits are carried out by each of the State Governments, if desired, but are not required in the Compact or Supplements.

The Acquisition, Possession and Disposition of Real Property by Authority

Payments in Lieu of Taxes

To the end that municipalities may not suffer undue loss of tax revenue by reason of the acquisition and ownership of property

therein by the Commission, the Commission is hereby authorized and empowered, in its discretion, to enter into a voluntary agreement or agreements with any municipality, whereby it will undertake to pay a fair and reasonable sum or sums to compensate the said municipality for any loss of tax revenue in connection with any property acquired by the Commission after one thousand nine hundred and fifty other than property acquired for bridge, tunnel or passenger transportation purposes. Any such payment or payments which the Commission is hereby authorized and empowered to make may be made on an annual basis, in which case the payment or payments shall not be in excess of the amount of the taxes upon the property when last assessed prior to the time of its acquisition by the Commission.

Power of Eminent Domain: Condemnation

As stated in (Article IV of the Compact), the Commission is given the power to exercise the right of eminent domain within the Port District. As stated in (Article V of the Compact), the Commission is given the power of Condemnation of real property. The power of the Commission to acquire real property follows the normal procedures as set forth in the laws of both states pertaining to rights of eminent domain and condemnation.

The Commission also has the power to acquire property by normal purchase or lease.

Disposition of Assets Upon Authority Termination

There are no provisions set forth in the Compact for the disposition of assets upon termination of the Authority.

Life of Authority

Perpetual Succession.

6. New Jersey Educational Facilities Authority

Size of Board — Seven Members.

Terms of Board Members — Five Years.

Method of Selection — Appointed by Governor with Advice and Consent of Senate.

Ex Officio – State Treasurer and Chancellor of Higher Education.

Compensation – Reimbursed for Expenses.

Election of Officers – Elected from Membership.

Quorum and Majority – A Majority of the Members Present.

Removal of Board Members – By Governor with Hearing.

Administration – Employs Professional Personnel.

Veto of Board Actions – Governor May Veto Within One Business Day of Authority's Action.

Civil Service Regulations – None.

Approval of Contracts and Leases – Authority Discretion.

Bonds – Final Approval by Governor.

Regulation of Rates and Services – Self Regulated.

Annual Audit – Required.

Annual Report – Required.

Tax Status – Exempt.

Power of Eminent Domain – Granted.

Payments in Lieu of Taxes – No Provision.

Disposition of Assets – No Provisions.

Life of Authority – An Entity with Ongoing Life.

New Jersey Educational Facilities Authority

General Purpose and Creation of Authority

The New Jersey Educational Facilities Authority was created by the Legislature under the provisions of Chapter 106, Public Laws of 1966, and signed into law on June 16, 1966.

The Authority was originally created in the Department of Education as a public body, corporate and politic. With the establishment of the Department of Higher Education on July 1, 1967, the Authority was transferred to that executive department.

The basic provisions of the Act created the Authority as an independent and autonomous service agency to assist New Jersey institutions of higher education in the construction of academic and residential facilities.

The public institutions, comprise the State University, the State Colleges, the New Jersey College of Medicine and Dentistry, Newark

College of Engineering, and the county community colleges. The Authority may provide assistance in the construction of revenue-producing facilities including residence halls, cafeterias, student unions and parking facilities.

Private institutions of higher education are eligible for Authority participation in construction projects as described for the public institutions. In addition, the Authority may also construct academic buildings, libraries, laboratories, and similar instructional units.

The Authority is expressly precluded from participating in the construction of facilities to be used for sectarian instruction or as a place for religious worship.

General Organization

Number of Board Members; Ex Officio Membership

The Authority is composed of seven members. The State Treasurer and the Chancellor of Higher Education are ex officio members.

Method of Selection; Term of Membership

Each member of the board serves a term of five years. The members are appointed by the Governor with the advice and consent of the Senate.

Compensation

The Authority members receive no compensation for their services but may be reimbursed for expenses in connection with Authority responsibilities.

Selection of Officers; Quorum and Majority

Officers of the Authority are elected annually from among the members. A majority of the seven members present at a meeting represents a quorum for all official actions.

Administration of Authority

The Authority appoints an administrative officer who is responsible to it for carrying out the Authority policies. In addition to the executive officer, the Authority appoints a financial advisor, bond counsel, and advisory counsel for legal matters.

Removal of Board Members

Under the provisions of the Authority Act, board members may be removed by the Governor after a hearing.

Control of Authority by Elected Officials

The Authority is established within the Department of Higher Education. The Authority's activities are coordinated with the Department of Higher Education as areas of mutual concern appear.

Veto of Board Actions

Authorization of Authority projects is made by action of the members of the Authority. The Governor has veto power of Authority actions. Therefore, as these authorizations pertain to the sale of bonds also, the Governor has veto power within the next business day of the Authority's action.

Contracts; Regulation of Rates and Services

The Authority acts formally on the approval of Authority contracts and leases. Regulation of Authority rates for services rendered is under the jurisdiction of the members of the Authority.

Audit and Annual Report

It is provided for in the Act (18A:72A) that there shall be an annual audit by an independent certified public accounting firm. The State Controller also has power of investigation of Authority obligations as does the Chancellor of Higher Education.

An annual report of the Authority's activities is submitted to the Governor and the Legislature.

The Acquisition, Possession, and Disposition of Real Property by Authority

Tax Exempt Status

Authority property is exempt from local property taxes since it is a public body.

Eminent Domain

The Authority is permitted by the Act creating it to exercise the right of eminent domain and condemnation. The Authority may

also purchase outright property to be used in the construction of projects. It also has the right to accept title of property from public colleges for property on which projects are to be constructed.

Disposition of Assets; Life of Authority

The law does not provide for the method of disposition of assets upon termination of the Authority. It is intended that the Authority be an entity with an ongoing life.

7. New Jersey Expressway Authority

Size of Boards — Five Members.

Terms of Board Members — Based on Membership at Time of Appointment.

Counties Represented — Camden, Cape May, Gloucester and Atlantic.

Method of Selection — Appointed by the Governor with Advice and Consent of Senate.

Ex Officio Membership — No Provisions.

Compensation — Reimbursed for Expenses.

Election of Officers — Elected from Membership.

Quorum and Majority — Majority of Membership Constitutes Quorum: Action by Majority of Members Present.

Removal of Board Members — By Governor with Hearing.

Administration — Employs Professional Personnel.

Veto of Board Actions — No Provisions.

Civil Service Regulations — None.

Approval of Contracts and Leases — Authority Discretion.

Bonds — Powers to Issue Bonds Granted.

Regulation of Rates and Services — Self Regulated.

Annual Audit — Required.

Annual Report — Required.

Tax Status — Exempt.

Payment in Lieu of Taxes — None.

Power of Eminent Domain — Granted.

Disposition of Assets — No provision.
Life of Authority — Perpetual Succession.

Facilities Operated

Atlantic City Expressway.

New Jersey Expressway Authority

General Purpose and Creation of Authority; Facilities Operated

In 1962 the Legislature of the State of New Jersey established in the State Highway Department the "New Jersey Expressway Authority". The purpose for the creation of this Authority was the construction and operation of the "Atlantic City Expressway", consisting of a highway extending and located as follows: Beginning at a westerly terminus in the township of Gloucester in the county of Camden at such connection with the North-South Freeway as the authority may select as the most feasible and practicable, and extending in a general southeasterly direction and between the White Horse and Black Horse Pikes thence, in various sections located in said township of Gloucester, the township of Washington in the county of Gloucester and the township of Monroe in said county of Gloucester or any of them, to and through the township of Winslow in said county of Camden, and thence through the town of Hammonton, township of Hamilton, township of Egg Harbor, city of Pleasantville, and again said township of Egg Harbor, and the city of Atlantic City, all in the county of Atlantic, to an easterly terminus within said city of Atlantic City, southeasterly of Beach Thorofare, at a connection or connections with such public highway or highways or other public facilities as may be determined by the Authority to be most feasible and practicable or at a point in Cape May County.

The Authority was also authorized to construct and operate the "Cape May Expressway", consisting of a highway connected with the "Atlantic City Expressway" at or in the vicinity of Hammonton and extending in a general southeasterly direction to a point at or in the vicinity of the Garden State Parkway at Seaville, Cape May County. This project was never initiated nor are there any plant to undertake it.

General Organization

Number of Board Members; Method of Selection

The New Jersey Expressway Authority consists of five members, appointed by the Governor, with the advice and consent of the Senate. The membership is as follows: 1 resident each from the counties of Camden, Cape May, and Gloucester, and 2 residents from the county of Atlantic. Not more than 3 of the members can be members of the same political party. Each member must have been a qualified voter of the State for at least 1 year preceding his appointment.

Term of Board Membership

Each member of the Authority serves for a term expiring on April 30 of the year ensuing after his appointment which corresponds in number to the number of the members of the Authority then authorized; provided, the terms of the members first appointed are so arranged that 1 of such terms shall expire on April 30 in each successive year ensuing after such appointments. Each member holds office for the term of his appointment and until his successor has been appointed and qualified. Any vacancy among the members must be filled by appointment only for the unexpired term but the appointment is not to be made sooner than 15 days after the occurrence of the vacancy.

Compensation to Board Members

The members of the Authority all serve without compensation, but the Authority may reimburse its members for necessary expenses incurred in the discharge of their duties.

Removal of Board Member

Any members of the Authority may be removed by the Governor for incapacity, inefficiency, neglect of duty, misconduct in office or other disqualifying cause but only after he has been given a copy of the charges against him and, not sooner than 10 days thereafter, been afforded opportunity for a hearing, in person or by counsel.

Board Quorum and Majority

A majority of the total membership of the Authority constitutes a quorum at any meeting. Action may be taken and motions and

resolutions adopted by the Authority at any meeting, by the affirmative vote of a majority of the members present, unless in any case the bylaws of the Authority require a larger number.

Selection of Board Officers; Administration

The Authority annually electe from among its members a chairman and vice-chairman who hold office from May 1 to May 1 of the next year and until their respective successors have been appointed and qualified. The Authority may also appoint and employ without regard to the provisions of Title 11, Civil Service, of the Revised Statutes, a secretary, a treasurer, an executive director, a general counsel and a chief engineer and such other consulting engineers, special attorneys or counsel, accountants, construction, legal and financial experts, and other agents and employees as it may require. The Authority determines their qualifications, terms of office, duties and compensation.

Control of Authority by and with Regular Government Departments and Agencies

Veto of Board Actions

There are no provisions set forth in the Act creating the New Jersey Expressway Authority for the veto of Authority board actions. However, authorization of projects undertaken by the Authority is expressly stated by the Act creating the Authority and the powers of the Authority with regard to already existing State Highways are subject to approval by the State Commissioner.

Contracts and Leases

The authority has the power to make contracts and leases in the exercise of its duties under the creating act.

Bonds

The Authority has the power and is authorized from time to time to issue its bonds or notes for any of its corporate purposes.

Affiliation and Coordination with Regular Government Agencies

All counties and municipalities and other governmental subdivisions, all authorities, and all public departments, agencies and com-

missions of the State, are authorized by the act to lease, lend, grant or convey to the Authority at its request upon such terms and conditions as may be deemed reasonable and fair, any real property or interest which may be necessary or convenient to the effectuation of the purposes of the Authority.

For the purpose of aiding the Authority and cooperating in the planning, undertaking, acquisition, construction or operation of any project, any county or municipality may acquire real property; furnish, dedicate, close, vacate, pave, install grade, regrade, plan or replan parks, streets, roads, roadways, alleys, sidewalks or other public places; and do any necessary or convenient thing to aid and cooperate with the Authority, and incur the entire expense.

For the purpose of aiding the Authority and cooperating with it in the performance of its authorized duties, counties and municipalities may appropriate moneys for the purposes of the Authority, and to loan or donate such moneys to the Authority upon such terms as may be agreed upon with the Authority; to covenant and agree with the Authority to pay to on the order of the Authority annually or at shorter intervals as a subsidy for the promotion of its purposes; to appropriate money for all or any part of the cost of acquisition or construction of such project, and, in accordance with the limitations and any exceptions thereto and in the manner or mode of procedure prescribed by the Local Bond Law to incur indebtedness, borrow money and issue its negotiable bonds for the purpose of financing such projects and appropriations, and to pay the proceeds of such bonds to the Authority.

Regulation of Rates and Services

The Authority is expressly granted the power to fix, revise, charge and collect tolls and charges for the use of each project and the different parts or sections. Such tolls and charges are not subject to supervision or regulation by any other commission, board, bureau or agency of the State or subdivision of the State.

Annual Report and Audit

On or before the last day of February in each year the Authority must make an annual report of its activities for the preceding calendar year to the Governor and to the Legislature. Each such

report must set forth a complete operating and financial statement covering its operations during the year. The Authority must also cause an audit of its books and accounts to be made at least once in each year by certified public accountants and filed with the State Treasurer.

Acquisition, Possession and Disposition of Real Property by Authority

Tax Exempt Status

All projects and all other property of the Authority are declared to be public property of the State and are exempt from taxes and special assessments.

Eminent Domain

The Authority has granted to it the power of eminent domain to acquire in the name of the Authority, any land and other property it may determine is reasonably necessary for any project it is authorized to undertake. N.J.S.A. 27:12c-19 outlines the procedure for condemnation with regard to the Expressway Authority and follows the normal pattern of procedure.

The Authority may also purchase, lease, construct, hold and operate other property in normal fashion.

Disposition of Assets

There are no provisions for the disposition of assets upon Authority termination as it has been granted perpetual succession by virtue of its character as a public body corporate and politic.

8. New Jersey Higher Education Assistance Authority

Size of Board — Five Members.

Terms of Board Members — Four Years.

Method of Selection — Appointed by Governor with Consent of Senate.

Ex Officio Membership — Chancellor of Higher Education.

Compensation — Reimbursed for Expenses.

Election of Officers — Elected from Membership.

Quorum and Majority – Three Members.

Removal of Board Members – No Provision.

Administration – Employs Professional Personnel.

Veto of Board Actions – Governor.

Civil Service Regulations – Yes.

Approval of Contracts and Leases – Authority Discretion.

Authority Finances – Provided by Legislation.

Operating Costs – Regular State Budget.

Bonds – Final Approval by Governor.

Regulation of Rates and Services – Self Regulated.

Annual Audit – Required.

Annual Report – Not Required in Lieu of Monthly Financial and Loan Report.

Power of Eminent Domain – Granted; Never Envoked.

Disposition of Assets – No Provision.

Life of Authority – Transferred by Law.

New Jersey Higher Education Assistance Authority

Purpose of Authority

The purpose of the New Jersey Higher Education Assistance Authority is to assist New Jersey residents in the placing of loans with participating lending institutions to help them meet their expenses of post-secondary education and to guaranty such loans.

General Organization: Number of Board Members
Term of Office
Ex Officio Membership

The board consists of five members including the ex officio membership of the Chancellor of Higher Education. The members serve for terms of four years.

Method of Appointment; Compensation

The members are appointed by the Governor with the consent of the Senate. They receive no compensation except reimbursement for actual expenses incurred in the performance of their duties.

Selection of Board Officers; Quorum and Majority; Removal of Board Members

Members elect a chairman and vice-chairman annually and may elect a secretary and treasurer who need not be a member of the Authority. Three members constitute both a majority and a quorum. There is no reference in the law to removal of board members.

Administration of Authority

The Authority, by law, may appoint such other assistants and employees as it deems necessary and fix their compensation within the limits of available appropriations.

Control of Authority by Elected Officials

Affiliation with Regular Government Departments

The Higher Education Assistance Authority was created in the Department of Higher Education.

Veto of Authority Board Actions

A copy of the minutes of every Authority meeting is delivered, by law, to the Governor who has the right to disapprove of any Authority action.

Authorization of Authority Functions

The Authority can perform any acts deemed necessary or appropriate to carry out the objects and purpose of the Higher Education Assistance Authority Law. Under the law, the Authority is given the right to contract, to sue and be sued.

Authority Finances

Capital is provided from time to time by the State Legislature and held in trust along with other revenues of the Authority. Any amount not needed for current operations can be invested and reinvested by the State Treasurer.

Operating costs are budgeted annually through the regular state budgetary process and are a part of the account of the Office of State Competitive Scholarships and Student Loans, Department of Higher Education.

Bonds; Regulation of Rates and Services

The Governor has the right to disapprove bond issues.

Authority rates and services are determined by the Authority within the limits prescribed by law.

Audit and Financial Report

The State Treasury Department audits the finances of the Authority. There are no requirements for submission of annual reports, but there is issued a monthly financial statement and monthly report of loan activity.

Civil Service Regulations

Personnel are employed by the Department of Higher Education in accord with Civil Service regulations.

Acquisition, Possession and Disposition of Real Property by the Authority

This is provided for in the law, but the Authority has not acquired any real property nor is its function to do so.

Life of the Authority

As defined by law the "Authority" means the Higher Education Assistance Authority or any board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Authority by this chapter shall be given by law.

9. New Jersey Highway Authority

Size of Board — Five Members.

Terms of Board Members — Five Years.

Method of Selection — Appointed by Governor with Advice and Consent of Senate.

Ex Officio Membership — No Provisions.

Compensation — Reimbursed for Expenses.

Election of Officers — Governor selects Chairman and Vice-Chairman: Board elects Secretary and Treasurer.

Quorum and Majority — Three Members for Action.
Removal of Board Members — By Governor with Hearing.
Administration — Employs Professional Personnel.
Veto of Board Actions — No Provisions.
Civil Service Regulations — No Provisions.
Approval of Contracts and Leases — Authority Discretion.
Bonds — Yes.
Regulation of Rates and Services — Self Regulated.
Annual Audit — Required.
Annual Report — Required.
Tax Status — Exempt.
Payments in Lieu of Taxes — No Provisions.
Power of Eminent Domain — Granted.
Disposition of Assets — Directed by Legislature.
Life of Authority — Perpetual Succession.

Facilities Operated

The Garden State Parkway
The Garden State Art Center

New Jersey Highway Authority

Purpose and Creation of Authority: Facilities Operated

Parkway and freeway legislation was first enacted in New Jersey in 1945. Construction was started in 1946 on the Route 4 Parkway, as it was then known. This start came as a free road, planned for construction with taxpayers' funds from the annual State Budget.

In 1950, the first section of the Parkway was opened between Cranford and Woodbridge. During the next three years, the Parkway route was extended north into Union County and short sections were completed in Cape May and Ocean Counties. An approximate four-mile piece from Cranford to Route 22, Union, was the last Parkway section constructed by the State Highway Department.

These scattered sections, aggregating approximately 20 miles of Parkway, remain toll-free and under the jurisdiction of the State Highway Department by virtue of the fact that public funds were used to construct them.

By 1952 it became obvious that the Parkway between north and south Jersey along the State's eastern coastline would take years to complete because of a lack of funds. Therefore, in April of 1952, the State Legislature passed bills creating the New Jersey Highway Authority, authorizing it to complete construction of the Garden State Parkway from Paramus to Cape May as a self-liquidating toll road and providing for a State guarantee of $285,000,000 of Authority bonds subject to approval by the voters at the November 4th general election.

The New Jersey Highway Act created the Authority to acquire, construct, maintain, repair, and operate highway projects. It specifically authorized "The Garden State Parkway," but also spelled out that the Authority is empowered to undertake additional highway projects "at such other locations as shall be established by law." The Act defined a highway project as "any express highway, superhighway or motorway." It also authorized "feeder road" construction if it is deemed to be necessary to create or facilitate access to an Authority project.

On November 4th, the voters of New Jersey approved a referendum authorizing a State pledge of credit guaranteeing $285 million of Authority bonds.

Like subsequent issues totaling $45 million, the $285 million State Guaranteed Bonds are to be paid off with the revenue produced from operation of the Parkway as a toll road.

By 1955, full operation of the basic 164-mile project started.

The Parkway still needed one facility to make it complete under terms of the Authority's General Bond Resolution. Under that Resolution which sets forth the Authority's agreement with its bondholders, the minimum Parkway project would not be completed until a crossing of the Great Egg Harbor Bay was provided. The 1-1/5 mile causeway-bridge was opened May 26, 1956 to complete the basic or minimum project legally.

Because of increased cost the Authority obtained an additional $20 million through the issuance of general revenue bonds, which carried no State guarantee.

In 1956, the Authority entered into an agreement with the New York State Thruway Authority for the construction of a link between the Parkway and the Thruway. By August 1957, the Thruway Feeder Road was opened to traffic.

The Parkway thus became a 173-mile facility spanning the length of New Jersey from Cape May to the State line at Montvale in the north.

The five series of bonds issued by the Parkway left it with a standing debt of $330,000,000. The overall average net interest cost on all five series of bonds was 3.02 percent.

Although the Parkway is basically a transportation artery, it has also been called upon to serve the needs of motorists. Service Areas containing gasoline stations and restaurants have been built by the Authority. Contracts with oil companies and food firms have been awarded by the Authority after competitive bidding for the operation of these facilities. In addition, there are picnic areas and roadside telephone booths for motorists use along the way.

The latest venture undertaken by the New Jersey Highway Authority was the construction of the Garden State Art Center.

General Organization

Number of Authority Commissioners

The New Jersey Highway Authority consists of five members, each of whom must be a resident of the State, and have been a qualified elector for a period of at least one year next preceding his appointment. Each member of the Authority before entering upon his duties must take and subscribe to an oath to perform the duties of his office faithfully, impartially and justly to the best of his ability.

Method of Selection: Term of Appointment

Each member of the Authority is appointed by the Governor, with the advice and consent of the Senate, for a term of five years and serves until his successor is appointed and qualifies.

Removal of Authority Board Member

Each member of the Authority may be removed from office by the Governor, for cause, after a public hearing.

Ex Officio Membership

There are no provisions for Ex Officio membership on the board.

Selection of Officers

The Governor designates one of the members of the Authority as chairman and another member as vice-chairman. The chairman and vice-chairman of the Authority serve as such at the pleasure of the Governor, and until their respective successors are designated.

The Authority elects a secretary and a treasurer who need not be members. At the option of the Authority the same person may be elected to serve both as secretary and treasurer.

Majority and Quorum For Board Action

Three members of the Authority constitute a quorum and the vote of three members is necessary for any action taken by the Authority. No vacancy in the membership of the Authority impairs the rights of a quorum to exercise all the rights and perform all the duties of the Authority.

Execution of Surety Bond

Before the issuance of any bonds or notes under the provisions of the Act, each member of the Authority must execute a surety bond in the penal sum of twenty-five thousand dollars, and the treasurer must execute a surety bond in the penal sum of fifty thousand dollars, each bond to be conditioned upon the faithful performance of the duties of the office of such member or treasurer, as the case may be.

Compensation for Services

The members of the Authority do not receive compensation for their services as members of the Authority. Each member is reimbursed by the Authority for his actual expenses necessarily incurred in the performance of his duties.

Administration of Authority

The day to day administration of the Authority is conducted by an executive director at the head of an executive staff including a

chief engineer, comptroller, operations manager, general attorney, public relations director, real estate supervisor, personnel manager and the executive assistant to the director. The Authority has the power to appoint and employ as it deems advisable and necessary in its judgment; to fix their compensation; and to promote and discharge.

Control of Authority by Elected Officials; Affiliation and Coordination with Regular Government Departments or Agencies

The New Jersey Highway Department now incorporated within the Department of Transportation is established in the State Highway Department as a body corporate and politic; The Authority is constituted an instrumentality exercising public and essential governmental function of the State of New Jersey.

Under the general powers of the Authority it is granted the right to acquire in cooperation with the Department of Conservation and Economic Development limited roadside areas adjoining projects; to transfer any or all of these areas to the Department of Conservation and Economic Development (whose functions have since been re-allocated) so that it may maintain these areas as roadside parks.

Veto of Authority Actions

There are no provisions for a veto of Authority Board actions.

Personnel Practices

There are no provisions for Civil Service regulations of Authority personnel practices. However, Authority personnel are protected by a program including a tenure of office policy; a non-contributory Major Medical Plan for reimbursement of medical and hospitalization expenses incurred by employees and their dependents; and a grievance procedure. Authority employees are also covered by the State Employees Retirement System. Free health check-ups for employees are provided by the Authority.

Authorization of new Authority projects as amended by (Chapters 348 and 441, Laws of 1968), must be established by law.

Approval of Contracts and Leases

Approval of Authority contracts and leases is granted to the Authority under its general powers to make and enter into all agreements and contracts necessary or incidental to the performance of its duties and the execution of its powers.

Annual Audit and Report

An annual audit and financial report, must be submitted before or on January 13, of the previous year's operations. The audit and annual reports covering the activities of the Authority are presented to the Governor and to the Legislature.

Approval of Authority Bonds

Except for State Guaranteed Bonds, there are no provisions for approval of Authority bond issues other than what is stated in the Act creating the Authority covering the character of the bonds.

Regulation af Rates and Services

The Authority is granted the power to fix and revise from time to time and charge and collect tolls or other charges for transit over or use of any project acquired or constructed by it.

Acquisition, Possession, and Disposition of Real Property

Tax Exempt Status of Authority

The Authority is exempt from any taxes or assessments or payments in lieu of taxes.

Power of Eminent Domain

The power of eminent domain is granted to the Authority under (N.J.S.A. 27:12B-5), "to acquire in the name of the Authority by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, any land and other property, including land under water and riparian rights, within or without the State of New Jersey, which it may determine is reasonably necessary for any project or for the relocation or reconstruction of any public highway by the Authority under the provisions of this act or for the construction of any feeder road which the Authority is or may be authorized to construct and any and all rights, title and interest

in such land and other property, including public lands, parks, playgrounds, reservations, highways or parkways owned by or in which any county, city, borough, town, township, village, or other political subdivision of the State of New Jersey has any right, title or interest."

The procedure for the exercise of the power of eminent domain through condemnation is set forth in (N.J.S.A. 27:12B-7).

Other Methods of Acquisition

The Authority under its general power has the power to acquire, construct, lease, build, improve, repair all projects, real property and ferry boats in the exercise of its powers and the performance of its duties.

Disposition of Assets

Upon the termination of the Authority the disposition of assets is directed by the Legislature subject to liens and encumbrances.

Life of Authority

The Authority was granted corporate and perpetual succession: (N.J.S.A. 27:12B-4 and 27:12B-5).

10. New Jersey Turnpike Authority

Size of Board — Five Members

Terms of Board Members — Five Years

Method of Selection — By Governor with Advice and Consent of Senate.

Ex Officio Membership — No Provisions.

Compensation — Reimbursed for Services.

Election of Officers — Governor selects Chairman and Vice-Chairman; Board elects Secretary and Treasurer.

Quorum and Majority — Three Members for Action.

Removal of Board Members — By Governor with Hearing.

Administration — Employs Professional Personnel.

Veto of Board Actions — Ten Day Governor's Veto.

Civil Service Regulations — No Provisions.

Authorization of New Projects — Location of Projects Approved by Legislature.

Approval of Contracts and Leases — Authority Discretion.

Bonds — Yes.

Regulation of Rates and Services — Approval of Governor and at least the State Treasurer or Comptroller.

Annual Audit — Required.

Annual Report — Required.

Tax Status — Exempt; Property not used for Project is Taxable.

Power of Eminent Domain — Granted.

Payments in Lieu of Taxes — No Provisions.

Disposition of Assets — No Provisions.

Life of Authority — Co-existent with Enabling Act.

Facilities Operated

New Jersey Turnpike

New Jersey Turnpike Authority

Purpose and Creation of Authority: Facilities Operated

In 1948 the Legislature authorized creation of a three member New Jersey Turnpike Authority to build the 118-mile New Jersey Turnpike from the Delaware Memorial Bridge, connecting New Jersey and Delaware, to the George Washington Bridge, connecting New Jersey and New York.

The route was divided into seven sections and construction was begun in September, 1949 and completed in 1952. By 1956 an 8-mile spur, from the vicinity of Newark Airport to the Holland Tunnel, and a similar spur, connecting the Turnpike in the vicinity of Bordentown with the Pennsylvania Turnpike were completed. The cost of the construction of the 118-mile Turnpike and its spurs totals $466 million.

There are service areas along the Turnpike where motorists may obtain food and fuel. Companies operating these facilities obtained exclusive rights through competitive bidding.

As provided in (N.J.S.A. 27:23-1), the purpose of the Turnpike Authority is the facilitation of vehicular traffic to prevent congestion on the highways of the State, the provision for the construction of modern express highways, and the authorization and empowerment to construct, maintain, repair and operate turnpike projects as shall be established by law.

General Organization

Number of Commissioners: Method of Selection: Term of Office

The New Jersey Turnpike Authority consists of five members, each of whom must be a resident of the State of New Jersey. He must have been a qualified voter of New Jersey for a period of at least one year prior to his appointment to the Authority.

Each member of the Authority is appointed by the Governor, with the advice and consent of the Senate, for a term of 5 years and serves until his successor is appointed and has qualified.

Each member of the Authority before entering upon his duties must take and subscribe to an oath to perform the duties of his office faithfully, impartially and justly to the best of his ability.

Any vacancies in the membership of the Authority occurring other than by expiration of term is filled in the same manner as the original appointment, but for the unexpired term only.

Ex Officio Membership

There is no provision for Ex officio membership on the board.

Removal of Board Members

Each member of the Authority may be removed from office by the Governor, for cause, after a public hearing.

Selection of Officers

The Governor designates one of the members of the Authority as chairman and another member as vice-chairman. The Authority elects a secretary and a treasurer who need not be members. At the option of the Authority the same person may be both secretary and treasurer. The chairman and vice-chairman serve at the pleasure of the Governor until their successors have been designated.

Majority and Quorum For Board Action

Three members of the Authority constitute a quorum and the vote of three members is necessary for any action taken by the Authority. No vacancy in the membership of the Authority impairs the right of a quorum to exercise all the rights and perform all the duties of the Authority.

Execution of Surety Bond

Each member of the Authority must execute a surety bond in the penal sum of $25,000 and the treasurer must execute a surety bond in the penal sum of $50,000, each such surety bond to be conditioned upon the faithful performance of the duties of the office of such member or treasurer, as the case may be.

Compensation For Services

The members of the Authority do not receive compensation for their services as members of the Authority. Each member is reimbursed by the Authority for his actual expenses necessarily incurred in the performance of his duties.

Administration of Authority

The members of the Authority have the power to appoint such additional officers, who need not be members of the Authority, as the Authority deems advisable. They may employ such staff and such employees and agents as is necessary and fix the compensation of these people. The Authority has the sole power of discharging these employees and agents.

Presently, the Administration is as follows: chairman, vice-chairman, treasurer, secretary, executive director and general counsel.

Control of Authority by Elected Officials

The Turnpike Authority is controlled, affiliated and coordinated with regular governmental departments and agencies by virtue of its establishment by the Legislature.

Affiliation of Authority With Regular Government Agencies

The New Jersey Turnpike Authority is established in the State Highway Department and is considered to be an essential governmental function of the State of New Jersey.

The Authority is empowered to receive and accept from any Federal agency subject to the approval of the Governor, grants and aid in the construction of any Turnpike project and to receive aid and contributions from the New Jersey State Legislature.

The Turnpike is to turn back to local authorities and to the State Highway Department any roads or portions of road taken in connection with the establishment of a feeder road.

Finally, all counties, cities, towns, townships, villages and other political subdivisions and all public departments, agencies and commissions of the State of New Jersey are empowered to lease, lend, grant and convey to the authority at its request, by the proper terms and conditions, any real property which is necessary for the authorized purposes of the Authority.

Veto of Authority Actions

All actions of the Authority are subject to veto power of the Governor. No action taken by the Authority has any force or effect until ten days after a copy of the minutes of the meetings of the Authority has been delivered to the Governor. The Governor, within the said ten-day period, may veto any action of the Authority; and the said action becomes null and of no effect.

Regulation of Rates, Services and Bonds

No resolution or other action of the Authority providing for the issuing of bonds, refunding of bonds for the fees, revising or adjusting of tolls, can be adopted or made effective by the Authority without the prior approval in writing of the Governor and at least one of the following: the State Treasurer and the Comptroller of the Treasury.

Authorization of New Projects

The location of the various Turnpike projects must be approved by the Legislature of New Jersey.

Approval of Contracts and Leases

The Authority has the power to enter into any contracts and agreements necessary or incidental to the performance of its duties; only subject to the veto power of the Governor.

Statutory Controls Over Authority Finances

There are specific statutory controls over Authority finances which state that all expenses incurred by the Authority in carrying out the provisions of the Enabling Act are payable solely from the funds received by the Authority. Issuance of Turnpike bonds are not deemed to constitute a debt or liability of the State or a pledge of the faith and credit of the State and, the bonds must be paid solely from the tolls and revenues of turnpike project.

Civil Service Regulations

The Authority has the power to employ such persons as it deems necessary without regard to Civil Service Regulations.

Annual Report and Audit

The Authority must cause an audit of its books and accounts to be made at least once in each year by certified public accountants. On or before the thirtieth day of January in each year, the Authority must make an annual report of its activities for the preceding calendar year to the Governor and to the Legislature. The report must set forth a complete operating and financial statement covering its operations during the year.

The Acquisition, Possession, and Disposition of Real Property

Tax Exempt Status

The Authority under the provisions of N.J.S.A. 27:23-12 is exempt from local taxation. If Turnpike Authority property is not used as part of Turnpike project, it is subject to local taxation.

Power of Eminent Domain

The Authority has complete power of eminent domain, N.J.S.A. 27:23-5 (j) empowers the Authority to exercise the power of eminent domain and prescribes the procedure to accomplish same.

Most of the Authority's acquisition is done by its general power to acquire, hold and dispose of real property provided by N.J.S.A. 27:23-5(i), which provides that the Authority shall have power to "acquire, hold, and dispose of real and personal property in the exercise of its powers and performance of its duties under this act."

N.J.S.A. 27:23-5(j) further provides that the Authority may acquire by purchase or otherwise on such terms and conditions and in such manner as it may deem proper, such real property as is necessary to Turnpike projects.

Control of Finances; Bonds

N.J.S.A. 27:13-16 provides that when all bonds issued under the provisions of the Authority's Enabling Act (N.J.S.A. 27:23-1 etc.) shall have been paid or a sufficient amount for the payment of all such bonds and interest thereon shall be set aside in trust for the benefit of the bond holders. Then, in that event, all such projects shall become part of the State Highway system and shall thereafter be operated and maintained by the Authority as toll roads.

N.J.S.A. 27:23-9(c) provides that all revenues and other funds of the Authority not necessary to pay any indebtedness of the Authority or not otherwise required and purposes of the Enabling Act shall be deposited to the credit of the State of New Jersey.

Life of Authority

The life of the Authority is co-existent with the provisions of the Enabling Act and, thus as stated in N.J.S.A. 27:23-16, "when all the principle and interest of the bonds are paid the project shall become part of the State Highway system and shall thereafter be operated and maintained by the Authority as toll roads."

11. Passaic Valley Sewerage Commission

Size of Board — Five Members.

Terms of Board Members — Five Years.

Counties Represented — Essex, Passaic, Bergen and Hudson.

Method of Selection — Appointed by Governor with Advice and Consent of Senate.

Ex Officio Membership — No Provisions.

Compensation — Annual Salary $6500.

Election of Officers — Elected from Membership; Treasurer and Clerk need not be members.

Quorum and Majority — No Provisions.

Removal of Board Members — By Governor for Cause.

Administration — Employs Professional Personnel.

Veto of Board Actions — The Governor has none, but a veto power was added in 1969 which gives this power to the member municipalities.

Civil Service Regulations — No Provisions.

Approval of Contracts and Leases — Authority Discretion.

Bonds — Yes.

Regulation of Rates and Services — Equalization by Municipalities.

Annual Audit — Required.

Annual Report — Required.

Tax Status — Exempt.

Payments in Lieu of Taxes — No Provisions.

Power of Eminent Domain — Granted.

Disposition of Assets — No Provisions.

Life of Commission — Perpetual Succession.

Facilities Operated

21.7 Mile Trunk Sewer

Newark Bay Pumping Station

Purpose and Creation of Commission; Facilities Operated

To stem the pollution of the Passaic River, the Passaic Valley District Sewerage Commission was established by the Legislature in 1902.

The Commission operates a 21.7 mile trunk sewer which was begun in 1912 and completed in 1924. The main intercepting sewer runs from the Great Falls in Paterson to the Newark Bay pumping station, where suspended solids are removed. The remaining effluent flows through a tunnel to a diffusion area in New York Bay.

Operation and maintenance costs are apportioned among the twenty-one municipalities contracting with the Commission. In 1953 the Legislature authorized the Commission to issue $10,000,000

in bonds for the improvement and enlargement of the sewerage system.

The increased demands placed upon the Commission in recent years by the municipalities in Essex, Bergen, Hudson and Passaic Counties have caused a rapid development program to be implemented by the Commission.

Bonding Limitation and Veto Power

On December 17, 1969 by a new state law (Chapter 235, P. L. of 1969) the $10 million debt ceiling was removed in order that the Commission would be able to meet the cost to develop, improve and upgrade its facilities.

The member municipalities were given a veto power in order to control the financial obligations of the Commission. When a bond issue is proposed, a meeting by the Commission must be held. If there is opposition by member municipalities, whose total aggregated usage of the Commission facilities is 25% or more, the bond issue will become void.

General Organization — Number of Commissioners; Term of Office

The board consists of five commissioners who are residents of the district. The term of office for a commissioner is five years. Each commissioner holds his office until his successor has been appointed and vacancy in the membership of the Commission because of death, resignation or removal, shall be filled for the unexpired term in the manner provided for an original appointment.

Method of Selection and Removal of Commissioners

Commissioners are appointed by the Governor, by and with the advice and consent of the Senate. The Governor may remove any commissioner from office for cause.

Compensation

The commissioners each receive for services an annual salary of $6,500.00, payable in equal monthly installments, and they receive no other compensation.

Selection of Board Officers; Meetings; Administration

The commissioner annually (on the first Tuesday in May) organize by the choice of a chairman and a vice-chairman, who are members of the board, and a treasurer and a clerk, who may or may not be members of the board. The commissioners may, from time to time, appoint such other officers, attorneys, agents, engineers, employees and assistants as they may deem necessary. They may prescribe their duties; fix their compensation and remove them at pleasure.

Ex Officio Membership

There are no ex officio members sitting on the board nor is there provision for one in its charter.

Board Quorums and Majorities

There are no provisions covering quorums and majorities in the charter.

Control of Authority by Elected Officials

Any and all municipalities within the district may request the commissioners to prepare and submit maps, plans and specifications for the construction of a joint trunk or main intercepting sewer or sewers and the necessary works for the conduct, discharge and disposal of sewage and other polluting matter. Also, estimates of the probable cost of construction and the operation and maintenance along with the cost for property rights. The municipalities requesting all this information are responsible for the costs involved.

Authorization of New Authority Projects; Contracts and Leases

Any two or more municipalities, at any time after the expiration of three months from the date of the Commission's reports may enter into, by resolution of their governing body or boards having charge of their finances, a contract in writing with each other and with the commissioners, in their corporate capacities, for the construction, and operation of reported plans.

All contracts and leases granted by the Commission must in no instance be connected with any interest of any commissioner. If so, it is null and void.

Rates and Services

The cost of operation, construction and maintenance is equally divided amongst the contracting municipalities. It is apportioned in such proportion as the taxable property, real and personal, within so much of the municipality so contracting as is embraced in the sewerage district bears to the total amount of the taxable property, real and personal, within so much of all the municipalities so contracting as is embraced within the sewerage district.

Bonds

For the purpose of raising funds to pay the cost of any of the projects of the Commission, the commissioners have the power from time to time to authorize and provide for the issuance of its bonds.

The Acquisition; Possession and Disposition of Real Property

Eminent Domain

The commissioners may, in their own corporate name, purchase and acquire all lands, and rights and interests in lands, either within or outside the territory of the joint contracting municipalities by the exercise of powers of eminent domain, following the general laws of New Jersey relating to the condemnation of lands for public use.

Tax Exempt Status

The sewerage system and all other property of the Commission are "hereby declared to be public property of a political subdivision of the State and devoted to an essential public function and is exempt from all taxes and special assessments of the State or any subdivision."

Audit; Annual Report

The State comptroller must cause the accounts of the Commission to be annually audited at the expense of the Commission, and the result of the audit must be printed with the financial report of the Commission annually.

The commissioners must prepare annually a statement showing the maximum sewage flows and sewer capacity requirements for each municipality participating in the use of the sewers and plants and works. They must determine the difference between the capacity

allotment and the sewer capacity requirements for each ensuing year, which is known as "reserve sewer capacity."

Disposition of Assets; Life of Commission

The Passaic Valley Sewerage Commission has perpetual succession. There are no provisions for disposition of assets upon termination.

12. Port of New York Authority

Member States — New Jersey and New York.

Size of Boards — Six New Jersey Members — Six New York Members.

Terms of Board Members — Overlapping Terms of Six Years.

Method of Selection — Appointed by Governor Subject to Confirmation by Senate.

Ex Officio Membership — None.

Compensation — Reimbursed for Expenses.

Selection of Board Officers — Commissioners Elected from Board.

Quorum and Majority — Majority Present from Each State and at Least Three from Each State.

Removal of Board Members — Charges Preferred; Hearing by by Senate.

Administration — Commission Employs Professional Personnel.

Veto of Board Actions — Ten Day Governor's Veto.

Civil Service Regulations — None.

Authorization of New Projects — Legislative Review.

Approval of Contracts and Leases — Self Discretion.

Bonds — Powers to Issue Bonds Granted.

Regulation of Rates and Services — Self Regulated.

Annual Audit — Required.

Annual Report — Required.

Tax Status — Exempt.

Payments in Lieu of Taxes — Yes.

Power of Eminent Domain — Granted.

Disposition of Assets — No Provisions.
Life of Authority — No Provisions.

Facilities Operated

Listed in Text

The Port of New York Authority

Purpose of Authority and Creation

The public authority as it is today dates from the organization of The Port of London Authority in 1908 and the Port of New York Authority in 1921.

Geographically the States of New York and New Jersey are unified by a common port area. Throughout the nineteenth century, this area led to many quarrels between the two States.

The most critical feud was that which developed between New Jersey and New York over railroad freight rates to the various parts of the Port. All the railroad trunk lines serving the area, except one, established their terminals on the New Jersey Waterfront opposite Manhattan. To make deliveries to the New York side of the harbor, the railroads developed an extensive carfloat service. They charged a uniform amount, however, for freight delivered anywhere in the area. New Jersey interests contended that the rates to the New Jersey portion of the Port should take into account New Jersey's geographical position on the landward side of the harbor and that a rate differential in its favor should be established. The issue culminated in the so-called New York Harbor case which reached the U.S. Interstate Commerce Commission in 1917. The Interstate Commerce Commission denied that the existing rates were prejudicial to New Jersey, and said:

> ". . . historically, geographically, and commercially New York and the industrial district in the northern part of the State of New Jersey constitute a single community . . ."

In effect, the states were told that the answer to their problem lay in cooperation and public improvements rather than litigation. Furthermore, although the Port's terminal and transportation facilities were highly competitive with each other, most were archaic and

inefficient. The resulting congestion and confusion only served to handicap the war effort during World War I.

To solve these problems, in 1917, the New York Legislature created a study commission to act jointly with a similar agency created by New Jersey. The two State commissions were charged with recommending to their respective legislatures a practical solution for the problems which confronted the Port area. The commissions organized themselves as a single body known as The New York, New Jersey Port and Harbor Development Commission.

After more than three years of study, the Commission urged the creation of a permanent interstate agency. To formulate a regional authority, the Commission advocated use of the "compact clause" of the United States Constitution. Never before had the "compact clause" been used as the basis for a permanent interstate agency.

The two States entered into an Interstate Compact on April 13, 1921, "For the Creation of the Port of New York District and the Establishment of the Port of New York Authority for the Comprehensive Development of the Port of New York."

Under the bi-state compact, the Port Authority is charged with two major responsibilities: "to purchase, construct, lease and/or operate any terminal or transportation facility within said (port) district and to promote the commerce of the port and to protect it from inequitable transportation charges and practices."

Description of District

The district is included within the boundary lines located by connecting points of known latitude and longitude. The approximate courses and distance of the lines enclosing the district are recited in the description, but the district is determined by drawing lines through the points of known latitude and longitude. Beginning at a point A of latitude forty-one degrees and four minutes north and longitude seventy-three degrees and fifty-six minutes west, said point being about sixty-five hundredths of a mile west of the westerly bank of the Hudson River and about two and one-tenth miles northwest of the pier at Piermont, in the county of Rockland, State of New York; thence due south one and fifteen-hundredths miles more or less to a point B of latitude forty-one degrees and three minutes north and longitude seventy-three degrees and fifty-six minutes west;

said point being about one and three-tenths miles northwest of the pier at Piermont, in the county of Rockland, State of New York; thence south fifty-six degrees and thirty-four minutes west six and twenty-six hundredths miles more or less to a point C of latitude forty-one degrees and no minutes north and longitude seventy-four degrees and two minutes west, said point being about seven-tenths of a mile north of the railroad station at Westwood, in the county of Bergen, State of New Jersey; thence south sixty-eight degrees and twenty-four minutes west nine and thirty-seven hundredths miles more or less to a point D of latitude forty degrees and fifty-seven minutes north and longitude seventy-four degrees and twelve minutes west, said point (being) about three miles northwest of the business center of the city of Paterson, in the county of Passaic, State of New Jersey; thence south forty-seven degrees and seventeen minutes west eleven and eighty-seven hundredths miles more or less to a point E of latitude forty degrees and fifty minutes north and longitude seventy-four degrees and twenty-two minutes west, said point being about four and five-tenths miles west of the borough of Caldwell, in the county of Morris (Essex), State of New Jersey; thence due south nine and twenty-hundredths miles more or less to a point F of latitude forty degrees and forty-two minutes north and longitude seventy-four degrees and twently-two minutes west, said point being about one and two-tenths miles southwest of the passenger station of the Delaware, Lackawanna and Western Railroad in the city of Summit, in the county of Union, State of New Jersey; thence south forty-two degrees and twenty-four minutes, west seven and seventy-eight hundredths miles more or less to a point G of latitude forty degrees and thirty-seven minutes north and longitude seventy-four degrees and twenty-eight minutes west, said point being about two and two-tenths miles west of the business center of the city of Plainfield, in the county of Somerset, State of New Jersey; thence due south twelve and sixty-five hundredths miles more or less on (to) a line passing about one mile west of the business center of the city of New Brunswick to a point H of latitude forty degrees and twenty-six minutes north and longitude seventy-four degrees and twenty-eight minutes west, said point being about four and five-tenths miles southwest of the city of New Brunswick, in the county of Middlesex, State of New Jersey, thence south seventy-seven degrees and forty-two minutes east ten

and seventy-nine hundredths miles more or less to a point I of latitude forty degrees and twenty-four minutes north and longitude seventy-four degrees and sixteen minutes west, said point being about two-miles south-west of the borough of Matawan, in the county of Middlesex (Monmouth), State of New Jersey; thence due east twenty-five and forty-eight hundredths miles more or less, crossing the county of Monmouth, State of New Jersey and passing about one and four-tenths miles south of the pier of the Central Railroad of New Jersey at Atlantic Highlands to a point J of latitude forty degrees and twenty-four minutes north and longitude seventy-three degrees and forty-seven minutes west, said point being in the Atlantic Ocean: thence north eleven degrees fifty-eight minutes east twenty-one and sixteen-hundredths miles more or less to a point K, said point being about five miles east of the passenger station of the Long Island Railroad at Jamaica and about one and three tenths miles east of the boundary line of the City of New York, in the county of Nassau, State of New York; thence in a northeasterly direction passing about one-half mile west of New Hyde Park and about one and one-tenth miles east of the shore of Manhasset Bay at Port Washington, crossing Long Island Sound to a point L, said point being the point of intersection of the boundary line between the states of New York and Connecticut and the meridian of seventy-three degrees thirty-nine minutes and thirty seconds west longitude, said point being also about a mile northeast of the village of Port Chester; thence northwesterly along the boundary line between the states of New York and Connecticut to a point M, said point being the point of intersection between said boundary line between the states of New York and Connecticut and the parallel of forty-one degrees and four minutes north latitude, said point also being about four and five-tenths miles northeast of the business center of the city of White Plains; thence due west along said parallel, of forty-one degrees and four minutes north latitude, the line passing about two and one-half miles north of the business center of the city of White Plains and crossing the Hudson River to the point A, the place of beginning.

Facilities Operated by the Port of New York Authority

A. *Airports and Heliports*

1. John F. Kennedy International Airport
2. LaGuardia Airport
3. Newark Airport
4. Teterboro Airport
5. Port Authority – West 30th Street Heliport
6. Port Authority – Downtown Heliport

B. *Marine Terminals*

1. Elizabeth – Port Authority Marine Terminal
2. Port Newark
3. Hoboken – Port Authority Marine Terminal
4. Brooklyn – Port Authority Marine Terminal
5. Erie Basin – Port Authority Marine Terminal
6. Port Authority Grain Terminal and Columbia Street Pier

C. *Rail Facilities*

1. Port Authority Trans-Hudson (PATH) System

D. *Terminals*

1. The World Trade Center
2. Port Authority Bus Terminal
3. Port Authority Building
4. New York Union Motor Truck Terminal
5. Newark Union Motor Truck Terminal

E. *Tunnels and Bridges*

1. George Washington Bridge and Bus Station
2. Bayonne Bridge
3. Goethals Bridge
4. Outerbridge Crossing
5. Holland Tunnel
6. Lincoln Tunnel

F. *Trade Development Offices*

1. Chicago
2. Cleveland

3. Eastern United States (New York)
4. Pittsburgh
5. Washington

G. *Foreign Offices*

1. Caribbean (Puerto Rico)
2. Continental Europe (Switzerland)
3. London
4. South America (Brazil)

General Organization

Number of Commissioners

The Authority consists of twelve commissioners, six resident voters from the State of New York, at least four of whom must be resident voters of the City of New York, and six resident voters from the State of New Jersey, at least four of whom must be resident voters within the New Jersey portion of the district.

Method of Selection; Term of Office; Compensation

Six commissioners are chosen from each State to serve overlapping terms of six years. The commissioners are appointed by the Governors of New Jersey and New York subject to confirmation by the respective State Senates. There are no provisions for ex officio membership. The commissioners serve without compensation but are reimbursed for expenses involved in performing their duties.

Selection of Officers; Quorum and Majority

The commissioners elect their own chairman and vice-chairman annually. A majority of the members present from each State—and at least three from each State—must approve any proposed action. Through its bylaws the board has established Committees on Finance, Construction, Operations and Port Planning, composed of five commissioners each, which review and consider items for decisions in formal meetings each month prior to the monthly Board Meetings. The committees are empowered to act on some projects on the board's behalf; on the others they recommend a course of action to the full board.

Removal of Board Member

To remove a member of the Commission, charges must be preferred, and the commissioner must be given a hearing by the Senate. In New York the Governor alone may remove a commissioner.

Administration of Authority

To carry out their policy decisions and manage the day to day operations of the Authority, the commissioners rely on an executive director. The executive director and the general counsel are elected annually by the board.

The executive director is charged with the same responsibilities for executive action and administration as the president of a private corporation. The policies of the board are transmitted to the administrative staff through the executive director and staff recommendations to the board are presented by the executive director.

Control of Authority by Elected Officials and Affiliation with Governmental Agencies

All major Port Authority projects are authorized and directed by the Legislature of both States. The Authority is required to submit detailed annual reports to the Legislatures of both States.

Veto of Authority Board Actions

Port Authority action is subject to a ten day veto by the Governors of the two States. The minutes of every meeting must be submitted to the Governor of each State. Ten days after receipt of the minutes by the Governor he must return them with his approval or veto.

Authorization of Projects

Each new program or project must be reviewed in the two State Legislatures and by the two Governors. Financing, legislative authorization to pledge the General Reserve Fund, and definitiveness in powers to condemn real property all require separate legislative review and approval. Authorization must be derived from the Commission, the Governors, the State Legislatures, the county and municipal governments involved, and federal agencies involved.

Authority Personnel Practices

The Port Authority is not governed by Civil Service Regulations but has developed a system of competitive recruitment and advancement. Of definite advantage to the Authority is the fact that its employees are public servants and therefore, do not have the right to strike. The very absence of that fundamental right obligates the Authority to protect the employee by recognizing and working with unions, associations and organizations representing the workers.

Authority policies include:

Job Classification Plans
Personnel Development Programs
Security Against Arbitrary Demotion
Security Against Arbitrary Discharge
Developmental Skills and Talent Program
Competitive Recruitment and Advancement
Training Programs

Finances

The Port Compact states that "the port authority shall not pledge the credit of either state." It also denies the Authority the power to levy taxes. The Compact endows the Authority only with the power "to borrow money and secure the same by bonds."

In order to assist the Port in developing new facilities the two Legislatures directed the Authority to pool the revenues of all facilities through the medium of the General Reserve Fund. Thus, all Port Authority revenues help to support the cost of operating and maintaining all facilities, the payment of interest charges, repayment of principal and the establishment of reserve requirements on outstanding debts.

Tax Exempt Status

The Port Authority itself nor the interest paid to Authority bondholders is subject to Federal income taxes. However, in order to hold municipalities harmless from loss of taxes on land within them acquired for inland or marine terminal development, the Authority makes payments in lieu of taxes on its exempt properties, as uathorized by the two States.

New Jersey State Library

Regulation of Rates and Services

Through specific statutory acts the Authority is guaranteed control over the regulation of its rates and services in order to protect the landholder.

Audits and Annual Reports

Port Authority financial ledgers stand open to the Legislatures, Governors and financial officials of both States, as well as municipalities under specific lease provisions. An independent audit of the Ports' finances is made each year by outside certified public accountants.

Detailed annual reports on operations, plans and studies and finances must be submitted to the Legislatures of both States.

Acquisition, Possession and Disposition of Real Property: Eminent Domain

The Port Authority is authorized by specific legislative enactment to acquire title to or interest in real property within the State by condemnation pursuant to the provisions of chapter one of Title 20, Eminent Domain. It may also buy, own, hold, lease and/or operate real property as it deems necessary in the performance of its duties.

Disposition of Assets

There are no provisions for the disposition of assets.

13. South Jersey Port Corporation

Size of Board — Seven Board Members.

Representation — Derived by Subdistricts:

Cape May County Cumberland County Salem County	One Member
Camden County Gloucester County	Three Members
Burlington County Mercer County	Three Members

Term of Office — Five Years.

Method of Selection — Appointed by Governor with Advice and Consent of Senate.

Ex Officio Membership — None.

Compensation — None; Reimbursed for Expenses.

Selection of Officers — Governor Designates Chairman and Vice-Chairman; Secretary and Treasurer Elected.

Board Quorum and Majority — Four Members constitute a Quorum.

Removal of Board Members — Removed by Governor or Legislature for Cause.

Administrator — Complete Discretion as to Needs and Practices.

Affiliations — State Department of Transportation; Delaware River Port Authority.

Veto of Board Actions — None.

Civil Service Regulations — None.

Authorization of Projects, Contracts and Leases — Approval by Legislative Concurrent Resolution.

Approval of Bond Issues — Approval by Governor and State Treasurer.

Regulation of Rates and Services — Complete Discretion.

Statutory Controls — Reserve Fund.

Auditing of Finances — At least once a year submitted to Governor and Legislature.

Annual Report — Submitted to Governor and Legislature: Complete list of all employees.

Payments in Lieu of Taxes — Yes.

Eminent Domain — Yes.

Disposition of Assets Upon Termination — None.

Life of Corporation — No Provisions.

Facilities Operated

Camden Marine Terminals.

South Jersey Port Corporation

Purpose and Creation

In 1926 the Legislature established the South Jersey Port District as a public corporation embracing the counties of Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May. In order to develop port facilities within the district, an operating agency, the South Jersey Port Commission, was established. The original act provided for a three-member body appointed by the Governor with the consent of the Senate. In 1942 the Commission was enlarged to seven members, one from each county, to be named by concurrent resolution of the Legislature.

In 1968 the South Jersey Port Commission was dissolved and all rights, property and facilities were transferred to the South Jersey Port Corporation which was established in the State Department of Conservation and Economic Development.

General Organization of Corporation

Membership:

The Corporation consists of seven members, each of whom must be a resident of the port district, and have been a qualified voter therein for a period of at least three years preceding his appointment.

Representation:

For the purpose of representation on the Corporation the port district is divided into subdistricts with representation as follows:

1. The counties of Cape May, Cumberland and Salem constitute one subdistrict and are represented by one member appointed from one of these counties.
2. The counties of Camden and Gloucester constitute one subdistrict and are represented by three members at least two of whom are appointed from Camden County.
3. The counties of Burlington and Mercer constitute one subdistrict and are represented by three members at least one of whom is appointed from each county within this subdistrict.

No more than four members must be of the same political party.

Term of Office: Method of Selection

Each member of the Corporation is appointed by the Governor, with the advice and consent of the Senate, for a term of five years and serves until his successor is appointed and has qualified.

However, the first appointments are three members for a term of two years, two for a term of three years, and two for a term of four years.

Removal of Corporation Members

Any member of the Corporation may be removed from office by the Governor or by the Legislature, for cause, after a public hearing.

Selection of Board Officers

The Governor designates one of the members of the Corporation as chairman and another member as vice-chairman. Both these officers serve at the pleasure of the Governor and until their respective successors have been designated.

The Corporation elects a secretary and a treasurer who need not be members. At the option of the corporation the same person may be elected to serve both as secretary and treasurer.

Corporation Quorum and Majority

Four members of the Corporation constitute a quorum and the vote of four members is necessary for any action taken by the Corporation.

Compensation to Corporation Members

The members of the Corporation serve without compensation for their services as members of the Corporation. Each member is reimbursed by the Corporation for his actual expenses necessarily incurred in the performance of his duties.

Administration of Corporation: Civil Service

The Corporation has the express power to appoint any additional officers, who need not be members of the Corporation as it deems advisable. Also, to employ engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and other employees and agents as may be necessary; to fix their compensation;

and to promote and discharge such officers, employees and agents; all without regard to the provisions of Title 11 of the Revised Statutes pertaining to Civil Service regulations.

Control of Corporation by Elected Officials

Affiliation and Coordination of Corporation with Regular Government Departments

The Corporation is empowered to acquire any lands under water in the State of New Jersey for marine terminal purposes, by grant, transfer or conveyance from the Resource Development Council in the Department of Conservation and Economic Development; to acquire any real property required or used for State highway purposes in the State of New Jersey, by grant, transfer or conveyance from the State Department of Transportation; and to enter into contracts and agreements with the Delaware River Port Authority or any other regional agency concerned with marine terminal purposes.

Authorization of Corporation Projects, Contracts and Leases

The Corporation has the express power to establish, acquire, construct, rehabilitate, improve, own, operate and maintain marine terminals within the district as it determines; to enter into lease agreements with private marine terminals; and to acquire, hold and dispose of real and personal property.

Subject to the terms of any agreement by the Corporation with the holders of bonds and notes, and provided that the Corporation has submitted to the Legislature any proposed loan, lease, grant, or conveyance to or merger with any other regional agency of any marine terminal or port or any other port facility which it owns or controls, and the Legislature has expressed its approval in the form of a concurrent resolution expressing approval passed by both houses, it has the power to enter into agreements for the interest of promoting and establishing unity of authority within the district.

Approval of Authority Bond Issues

The Corporation has the power and is authorized from time to time to issue its negotiable bonds or notes for any of its corporate purposes. However, prior to the issuance of any bonds or notes, the Corporation must submit a copy of the resolution authorizing the issuance to the Governor and the State Treasurer for approval.

Regulation of Rates and Services

The Corporation is authorized to fix, revise, charge and collect rents, tolls, fees and charges for the use of its marine terminals and property.

Statutory Controls over Corporation Finances

The Corporation must have a fund called the "South Jersey Port Corporation Reserve Fund" in which is deposited moneys appropriated by the State, proceeds of bonds required to be deposited by terms of contracts and other moneys or funds which it determines to deposit.

No bonds can be issued by the Corporation unless there is in the reserve fund the maximum debit service reserve for all bonds issued and bonds about to be issued.

Auditing of Corporation Finances and Annual Report

On or before January 30 in each year, the Corporation makes an annual report of its activities for the preceding year to the Governor and to the Legislature. Each report must set forth a complete operating and financial statement covering the operation during the year. The Corporation must cause an audit of its books and accounts to be made at least once in each year.

The Corporation must annually submit to the Governor and the Legislature a list of all full and part-time employees of the Corporation, and the salaries, wages, compensation or any funds of the Corporation whatsoever received by the employees during the preceding year.

Notwithstanding the provisions of any general or special statutes, the State Auditor and his legally authorized representatives annually examine the accounts and books of the Corporation, including: its operations and accomplishments; its receipts and disbursements, or revenues and expenses, during such fiscal year in accordance with the categories and classifications established by the Corporation for its own operating and capital outlay purposes; its assets and liabilities at the end of the fiscal year including the status of reserve, depreciation, special or other funds and including the receipts and payments of these funds; its bonds and notes outstanding at the end of its fiscal

year, together with a statement of the amounts redeemed and incurred during such fiscal year; and such other items referring to their financial standing as such auditing official may deem proper.

Acquisition, Possession, and Disposition of Real Property
Payments in Lieu of Taxes

The Corporation is not required to pay any taxes or assessments upon any marine terminal or any property acquired or used by the Corporation or upon the income therefrom; and any marine terminal and any property acquired or used by the Corporation under the provision of the act and the income therefrom, and the bonds or notes issued under the provisions of this act, their transfer and the income therefrom (including profit from sales) are exempt from taxation.

To the end that counties and municipalities not suffer undue loss of future tax revenue, the Corporation is authorized to enter into agreements with any county or municipality, whereby it will pay a fair and reasonable sum to compensate for any loss of tax revenue. Any tax payments of this nature are computed on an annual basis which can not be less than the amount of taxes upon the property when last assessed prior to its acquisition by the Corporation. The Corporation, by law, maintains the "South Jersey Port Corporation Tax Reserve Fund" in which is held moneys solely for the purpose of tax payments.

Power of Eminent Domain and Condemnation

The Corporation is granted the right to exercise the power of eminent domain over any land and other property which it determines is reasonably necessary for any marine terminal or for the relocation or reconstruction of any highway by the Corporation.

Disposition of Assets Upon Corporation Termination

There are no provisions set forth for the disposition of assets upon the termination of the Corporation.

Life of Corporation

There are no provisions set forth determining the life of the Corporation.

Facilities Operated by Corporation

Camden Marine Terminals.

14. Waterfront Commission of New York Harbor

Size of Commission — Two Commissioners.

Term of Office — Three years.

Method of Selection — One commissioner appointed by each Governor with advice and consent of the Senate, without regard to the State of residence.

Ex Officio Membership — No Provision.

Compensation — Fixed by the Governor.

Selection of Officers — No provision.

Board of Majority — Unanimous vote required for action.

Removal of Commissioner — No provision.

Administration — Power is granted to commission to employ all necessary personnel.

Control of Commission by Elected Officials.

Affiliation with Government Agencies — None.

Veto of Commission Actions — No provisions other than budget approval.

Civil Service Regulations — None.

Control over Commission Finances — Budget submited to Governors with thirty-day approval. Annual Legislative appropriations.

Approval of Bond Issues — No provisions.

Regulation of Rates and Services — No provisions.

Auditing of Finances — No provisions.

Submission of Annual Report — Not required, but suggested; giving recommendations and findings.

Acquisition of Real Property — Powers granted to acquire real property.

Payments in Lieu of Taxes — No provisions.

Eminent Domain — No provisions.

Condemnation — No provisions.

Disposition of Assets — No provisions.

Life of Authority — No provisions.

Waterfront Commission of New York Harbor

Purpose and Creation of Commission

The Waterfront Commission was created in 1953 by a compact between the States of New Jersey and New York.

The purpose for its creation is the reduction of criminal and corrupt practices in the handling of waterborne freight within the Port of New York district and the stabilization of the employment of waterfront labor.

Jurisdiction

The Waterfront Commission's jurisdiction encompasses the district created by Article II of the compact creating the Port of New York Authority (1921).

General Organization

The Commission consists of two members, one to be appointed by the Governor of each State with the advice and consent of the Senate, without regard to the State of residence.

The commissioner's compensation is fixed by the Governor with his term of office being three years. Each member holds office until his successor has been appointed and qualified.

The Commission can act only by unanimous vote of both members. Any member may, by written instrument filed in the office of the Commission, designate any officer or employee of the Commission to act in his place as a member whenever he is unable to attend a meeting of the Commission.

The Commission has the power to appoint officers, agents and employees, prescribe their powers, duties and qualifications and fix their compensation. They also have the power to retain and employ counsel and private counsultants.

Control of Commission by Elected Officials

Approval of Annual Budget

The Commission annually adopts a budget of its expenses for each year. Each budget must be submitted to the Governors of the two

States and takes effect as submitted; provided, that either Governor within thirty days does not disapprove or reduce any item or items.

After taking into account such funds as may be available to it from reserves, Federal grants or otherwise, the balance of the Commission's budgeted expenses is assessed upon employers of persons registered or licensed under the compact. The amount required to balance the Commission's budget, in excess of the estimated yield of the maximum assessment, must be certified by the Commission, with the approval of the respective Governors, to the Legislatures of the two States, in proportion to the gross annual wage payments made to longshoremen for work in each state with the port of New York district. The Legislature annually appropriates to the Commission the amount so certified.

Authorization of Commission's Powers and Responsibilities

The Commission has the powers and duties delegated to or imposed upon it by the action of the Legislature of either State concurred in by the Legislature of the other.

Submission of Annual Report by Commission

The Commission has the power to make annual and other reports to the Governors and Legislatures of both States containing recommendations for the improvement of the conditions of the waterfront labor within the port of New York district. Such annual reports state the Commission's finding and determination as to whether the public necessity still exists for: (a) the continued registration of longshoremen, (b) the continued licensing of any occupation or employment required to be licensed and (c) the continued public operation of the employment information centers.

The Acquisition of Real Property by Commission

The Commission has the power to determine the location, size and suitability of accommodations necessary and desirable for the establishment and maintenance of the employment information centers and for administrative offices for the Commission. It has the power to acquire, hold and dispose of real and personal property by gift, purchase, lease, license or other similar manner for its corporate purposes.

XI

Appendix B

A Model Statute for the Establishment of Authorities

Following is the text of the Act creating The New Jersey Sports and Exposition Authority, approved May 10, 1971, Chapter 137, 1971, containing examples of the kind of legislation which the Commission believes to be beneficial to the public interest. The examples of controls, limitations and authority granted by the law should serve to protect and reinforce certain criteria useful in the creation of future autonomous authorities.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY LAW

Chapter 137[86]

Assembly No. 2319

An Act to provide stadiums and other buildings and facilities in the Hackensack meadowlands for athletic contests, horse racing and other spectator sporting events and for trade shows and other expositions; creating the New Jersey Sports and Exposition Authority and defining its powers and duties; authorizing the issuance of bonds and notes of the authority, providing for the terms and security thereof; and providing an appropriation therefor.

Whereas, The Hackensack Meadowlands Development Commission pursuant to P. L. 1968, c. 404 (C. 13:17-1 et seq.), is charged with the responsibility for reclaiming, planning, developing and redeveloping the land in the Hackensack Meadowlands Districts; and

Whereas, The Hackensack Meadowlands Development Commission and the New Jersey Sports and Exposition Authority can cooperate in the development of said Hackensack Meadowlands District by the effectuation of the sports and exposition project in accordance with this act; now, therefore

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1.

This act shall be known as, and may be cited as, the "New Jersey Sports and Exposition Authority Law."

2.

The Legislature hereby finds and declares that the general welfare, health and prosperity of the people of the State will be promoted by the holding of athletic contests, horse racing and other spectator sporting events and of trade shows and other expositions in the State; that in order to induce professional athletic teams, particularly major league football and baseball teams, to locate their franchises in the State, it is necessary to provide stadiums and related facilities for the use of such teams, in addition to the facilities for horse racing and other spectator sporting events; that such stadiums and other facilities would also accommodate other events and serve other uses which would provide needed recreation, forums and expositions for the public.

It is hereby further found and declared that additional facilities are needed in the State to accommodate trade shows and other expositions in order to promote industry and development in the State and provide a forum for public events.

The Legislature further finds and declares that the location of a sports and exposition complex in the Hackensack meadowlands would stimulate the needed development of said meadowlands.

The Legislature has determined that to provide for the establishment and operation of the needed stadiums and other facilities for the holding of such spectator sports, expositions and other public events and uses, a corporate agency of the State shall be created with the necessary powers to accomplish these purposes.

The Legislature further finds that the authority and powers conferred under this act and the expenditure of public moneys pursuant thereto constitutes a serving of a valid public purpose and that the enactment of the provisions hereinafter set forth is in the public interest and is hereby so declared to be such as a matter of express legislative determination.

86. N.J.S.A. 5:10-1 to 5:10-26.

3.

The following words or terms as used in this act shall have the following meaning unless a different meaning clearly appears from the context:

a. "Act" means this New Jersey Sports and Exposition Authority Law.

b. "Authority" means the New Jersey Sports and Exposition Authority created by section 4 of the act.

c. "Bonds" means bonds issued by the authority pursuant to the act.

d. "Meadowlands complex" means the sports and exposition project authorized by section 6 of the act.

e. "Notes" means notes issued by the authority pursuant to the act.

f. "Project" means the meadowlands complex.

g. "State" means the State of New Jersey.

h. "Hackensack meadowlands" means the Hackensack Meadowlands District as delineated in P. L. 1968, c. 404, s. 4 (C. 13:17-4).

i. "Meadowlands Commission" means the Hackensack Meadowlands Development Commission created by P. L. 1968, c. 404.

j. "Racing Commission" means the New Jersey Racing Commission created by P. L. 1940, c. 17.

4.

a. There is hereby established in the Department of Community Affiairs a public body corporate and politic, with corporate succession, to be known as the "New Jersey Sports and Exposition Authority." The authority is hereby constituted as an instrumentality of the State exercising public and essential governmental functions, and the exercise by the authority of the powers conferred by the act shall be deemed and held to be an essential governmental function of the State and the application of the revenue derived from the project to the purposes provided in this act shall be deemed and held to be applied in support of government.

b. The authority shall consist of the State Treasurer, the Attorney General and a member of the Hackensack Meadowlands Development Commission to be appointed by the Governor, who shall be members ex officio, and four members appointed by the Governor with the advice and consent of the Senate for terms of 4 years, pro-

vided that the members of the authority (other than the ex officio members) first appointed by the Governor shall serve for terms of 1 year, 2 years, 3 years and 4 years, respectively. Each member shall hold office for the term of his appointment and until his successor shall have been appointed and qualified. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

c. Each appointed member may be removed from office by the Governor, for cause, after a public hearing, and may be suspended by the Governor pending the completion of such hearing. Each member before entering upon his duties shall take and subscribe an oath to perform the duties of his office faithfully, impartially and justly to the best of his ability. A record of such oaths shall be filed in the office of the Secretary of State.

d. The chairman, who shall be chief executive officer of the authority, shall be appointed by the Governor from the members of the authority other than the ex officio members, and the members of the authority shall elect one of their number as vice chairman thereof. The authority shall elect a secretary and a treasurer who need not be members, and the same person may be elected to serve both as secretary and treasurer. The powers of the authority shall be vested in the members thereof in office from time to time and four members of the authority shall constitute a quorum at any meeting thereof. Action may be taken and motions and resolutions adopted by the authority at any meeting thereof by the affirmative vote of at least four members of the authority. No vacancy in the membership of the authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the authority.

e. Each member and the treasurer of the authority shall execute a bond to be conditioned upon the faithful performance of the duties of such member or treasurer, as the case may be, in such form and amount as may be prescribed by the Comptroller of the Treasury. Such bonds shall be filed in the office of the Secretary of State. At all times thereafter the members and treasurer of the authority shall maintain such bonds in full force and effect. All costs of such bonds shall be borne by the authority.

f. The members of the authority shall serve without compensation, but the authority shall reimburse its members for actual expenses

necessarily incurred in the discharge of their duties. Notwithstanding the provisions of any other law, no officer or employee of the State shall be deemed to have forfeited or shall forfeit his office or employment or any benefits or emoluments thereof by reason of his acceptance of the office of ex officio member of the authority or his services therein.

g. Each ex officio member of the authority may designate an officer or employee of his department or agency to represent him at meetings of the authority, and each such designee may lawfully vote and otherwise act on behalf of the member for whom he constitutes the designee. Any such designation shall be in writing delivered to the authority and shall continue in effect until revoked or amended by writing delivered to the authority.

h. The authority may be dissolved by act of the Legislature on condition that the authority has no debts or obligations outstanding or that provision has been made for the payment or retirement of such debts or obligations. Upon any such dissolution of the authority all property, funds and assets thereof shall be vested in the State.

i. 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 unitl 15 days after such copy of the minutes shall have been so delivered unless during such 15-day period the Governor shall approve the same in which case such action shall become effective upon such approval. If, in said 15-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 void and of no effect. The powers conferred in this paragraph (i) upon the Governor shall be exercised with due regard for the rights of the holders of bonds and notes of the authority at any time outstanding, and nothing in, or done pursuant to, this paragraph (i) 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 notes or for the benefit, protection or security of the holders thereof.

5.

Except as otherwise limited by the act, the authority shall have power:

a. To sue and be sued;

b. To have an official seal and alter the same at pleasure;

c. To make and alter bylaws for its organization and internal management and for the conduct of its affairs and business;

d. To maintain an office at such place or places within the State as it may determine;

e. To acquire, hold, use and dispose of its income, revenues, funds and moneys;

f. To acquire, lease as lessee or lessor, rent, lease, hold, use and dispose of real or personal property for its purposes;

g. To borrow money and to issue its negotiable bonds or notes and to secure the same by a mortgage on its property or any part thereof and otherwise to provide for and secure the payment thereof and to provide for the rights of the holders thereof;

h. To make and enter into all contracts, leases, and agreements for the use or occupancy of the project or any part thereof or which are necessary or incidental to the performance of its duties and the exercise of its powers under the act;

i. To make surveys, maps, plans for, and estimates of the cost of, the project;

j. To establish, acquire, construct, lease the right to construct, rehabilitate, repair, improve, own, operate and maintain the project, and let, award and enter into construction contracts, purchase orders and other contracts with respect thereto in such manner as the authority shall determine, subject only to the provisions of section 21 of the act;

k. To fix and revise from time to time and charge and collect rents, tools, fees and charges for the use, occupancy or services of the project or any part thereof or for admission therto, and for the grant of concessions therein and for things furnished or services rendered by the authority;

l. To establish and enforce rules and regulations for the use or operation of the project or the conduct of its activities, and provide for the policing and the security of the project;

m. To acquire in the name of the authority by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or, except with respect to the State, by the exercise of the power of eminent domain, any land and other property, including land under water, meadowlands, and riparian rights, which it may determine is reasonably necessary for the project or for the relocation or reconstruction of any highway by the authority and any and all rights, title and interest in such land and other property, including public lands, reservations, highways or parkways, owned by or in which the State or any county, city, borough, town, township, village, public corporation, or other political subdivision of the State has any right, title or interest, or parts thereof or rights therein and any fee simple absolute or any lesser interest in private property, and any fee simple absolute in, easements upon or the benefit of restrictions upon, abutting property to preserve and protect the project;

n. To provide through its employees, or by the grant of one or more concessions, or in part through its employees and in part by grant of one or more concessions, for the furnishing of services and things for the accommodation of persons admitted to or using the project or any part thereof;

o. To hold and conduct horse race meetings for stake, purse or reward and to provide and operate a pari-mutuel system of wagering at such meetings but subject only to the provisions of section 7 of the act;

p. To acquire, construct, operate, maintain, improve and make capital contributions to others for transportation and other facilities, services and accommodations for the public using the project and to lease or otherwise contract for the operation thereof;

q. Subject to any agreement with bondholders or noteholders, to invest moneys of the authority not required for immediate use, including proceeds from the sale of any bonds or notes, in such obligations, securities and other investments as the authority shall deem prudent;

r. To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the United States of America or any agency or instrumentality thereof, or from the State or any agency, instrumentality or political subdivision thereof, or from any other source and to comply, subject to the provisions of the act, with the terms and conditions thereof;

s. Subject to any agreements with bondholders or noteholders, to purchase bonds or notes of the authority out of any funds or money of the authority available therefor, and to hold, cancel or resell such bonds or notes;

t. To appoint and employ an executive director and such additional officers who need not be members of the authority and accountants, attorneys, financial advisors or experts and all such other or different officers, agents and employees as it may require and determine their qualifications, terms of office, duties and compensation, all without regard to the provisions of Title 11, Civil Service, of the Revised Statutes, provided that, it is the express intent of the Legislature that the authority within its sole discretion shall utilize, to the fullest extent feasible, the services of the officers, personnel and consultants of the Meadowlands Commission;

u. To do and perform any acts and things authorized by the act under, through, or by means of its officers, agents or employees or by contracts with any person, firm or corporation;

v. To procure insurance against any losses in connection with its property, operations or assets in such amounts and from such insurers as it deems desirable;

w. To do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in the act; and

x. To determine the location, type and character of the project or any part thereof and all other matters in connection with all or any part of the project, notwithstanding any land use plan, zoning regulation, building code or similar regulation heretofore or hereafter adopted by the State, any municipality, county, public body politic and corporate, including but not limited to the Meadowlands Commission, or any other political subdivision of the State, provided that the authority shall consult with the Meadowlands Commission before making any determination as to the location, type and character of the project.

6.

a. The authority, pursuant to the provisions of the act, is hereby authorized and empowered to establish, develop, construct, operate, maintain, improve and otherwise effectuate a project to be located in the Hackensack meadowlands upon a site not to exceed 750 acres

consisting of one or more stadiums, coliseums, arenas, pavilions, stands, field houses, playing fields, recreation centers, courts, gymnasiums, club houses, a race track for the holding of horse race meetings, and other building, structures, facilities, properties and appurtenances incidental and necessary to a complex suitable for the holding of athletic contests or other sporting events, or trade shows, exhibitions, spectacles, public meetings or other expositions, and such project may include driveways, roads, approaches, parking areas, parks, recreation areas, food vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings, and all other structures and appurtenant facilities related to, necessary for, or complementary to the purposes of the project or any facility thereof. As part of the project the authority is empowered to make capital contributions to others for transportation and other facilities, and accommodations for the public using the project. Any part of the project site not occupied or to be occupied by facilities of the project may be leased by the authority for purposes determined by the authority to be consistent with or related to the purposes of the project, including but not limited to hotels and other accommodations for transients and other facilities related or incidental to the project.

b. Revenues, moneys or other funds, if any, derived from the operation or ownership of the meadowlands complex, including the conduct of horse race meetings, shall be applied in accordance with the resolution or resolutions authorizing or relating to the issuance of bonds or notes of the authority to the following purposes and in the following order:

(1) The costs of operation and maintenance of the meadowlands complex and reserves therefor;

(2) Principle, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority issued for the purposes of the meadowlands complex or for the purpose of refunding the same, including reserves therefor;

(3) The costs of any major or extraordinary repairs, renewals or replacements with respect to the meadowlands complex or incidental improvements thereto not paid pursuant to paragraph (1) above, including reserves therefor;

(4) Payments required to be made pursuant to section 18b.;

(5) Payments authorized to be made pursuant to section 18c.;

(6) The balance remaining after application in accordance with the above shall be deposited in the General State Fund and 40% of all amounts so deposited shall be appropriated to the Meadowlands Commission for any of its purposes authorized by P. L. 1968, c. 404, and any amendments or supplements thereto.

7.

a. The authority is hereby authorized, licensed and empowered to apply to the Racing Commission for a permit or permits to hold and conduct, as part of the meadowlands complex, horse race meetings for stake, purse or reward, and to provide a place or places on the race meeting grounds or enclosure for wagering by patrons on the result of such horse races by the parimutuel system, and to receive charges and collect all revenues, receipts and other sums from the ownership and operation thereof; provided that only the authority through its employees shall conduct such horse race meetings and wagering and the authority is expressly prohibited from placing in the control of any other person, firm or corporation the conduct of such horse race meetings, or wagering.

b. Except as otherwise provided in this section, such horse race meetings and parimutuel wagering shall be conducted by the authority in the manner and subject to compliance with the standards set forth in P. L. 1940, c. 17 (C. 5:5-22 et seq.) and the rules, regulations and conditions prescribed by the Racing Commission thereunder for the conduct of horse race meetings and for parimutuel betting at such meetings.

c. Application for said permit or permits shall be on such forms and shall include such accompanying data as the Racing Commission shall prescribe for other applicants. The Racing Commission shall proceed to review and act on any such application within 30 days after its filing and the Racing Commission is authorized in its sole discretion to determine whether a permit shall be granted to the authority. If, after such review, the Racing Commission acts favorably on such application, a permit shall be granted to the authority without any further approval and shall remain in force and effect so long as any bonds or notes of the authority issued for the purposes of the meadowlands complex remain outstanding, the provision of any other law to the contrary notwithstanding. In granting a permit to

the authority to conduct a horse race meeting, the Racing Commission shall not be subject to any limitation as to the number of tracks authorized for the conduct of horse race meetings pursuant to any provision of P. L. 1940, c. 17 (C. 5:5-22 et seq.). Said permit shall set forth the dates to be allotted to the authority for its initial horse race meetings. Thereafter application for dates for horse race meetings by the authority and the allotment thereof by the Racing Commission, including the renewal of the same dates theretofore alloted, shall be governed by the applicable provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.). Notwithstanding the provision of any other law to the contrary, the Racing Commission shall allot annually to the authority, in the case of harness racing, not less than 100 racing days, and in the case of running racing, not less than 56 racing days, if and to extent that application is made therefor.

d. No hearing, referendum or other election or proceeding, and no payment, surety or cash bond or other deposit, shall be required for the authority to hold or conduct the horse race meetings with parimutuel wagering herein authorized.

e. The authority shall determine the amount of the admission fee for the races and all matters relating to the collection thereof.

f. Distribution of sums deposited in parimutuel pools to winners thereof and payments from the remaining balances in such pools for stakes, purses or rewards and special trust accounts for breeding and development of horses shall be for the purposes of and in accordance with the provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.) pertaining thereto. In addition, as an initial payment to the State, an amount equal to ½ to 1% of all parimutuel pools shall be deposited annually in the General State Fund. All amounts remaining in parimutuel pools after such distribution and payments shall constitute revenues of the authority. Except as otherwise expressly provided in this section 7, the authority shall not be required to make any payments to the Racing Commission or others in connection with contributions to parimutuel pools.

g. All sums held by the authority for payment of outstanding parimutuel tickets not claimed by the person or persons entitled thereto within the time provided by law shall be paid to the Racing Commission upon the expiration of such time without further obligation to such ticketholder.

h. No admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from the authority by the State of New Jersey, or by any county or municipality, or by any other body having power to assess or collect license fees or taxes.

i. Any horse race meeting and the parimutuel system of wagering upon the result of horse races held at such race meeting shall not under any circumstances, if conducted as provided in the act and in conformity thereto, be held or construed to be unlawful, other statutes of the State to the contrary notwithsanding.

j. Each employee of the authority engaged in the conducting of horse race meetings shall obtain the appropriate license from the Racing Commission subject to the same terms and conditions as is required of similar employees of other permit holders. The Racing Commission may suspend any member of the authority upon approval of the Governor and the license of any employee of the authority in connection with the conducting of horse race meetings pending a hearing by the Racing Commission for any violation of the New Jersey laws regulating horse racing or any rule or regulation of the commission. Such hearing shall be held and conducted in the manner provided in said laws.

8.

a. If the authority shall find it necessary in connection with the undertaking of the project to change the location of any portion of any public highway or road, it may contract with any government agency, public or private corporation which may have jurisdiction over said public highway or road to cause said public highway or road to be constructed at such location as the authority in consultation with the Meadowlands Commission shall deem most favorable. The cost of such reconstruction and any damage incurred in changing the location of any such highway shall be ascertained and paid by the authority as a part of the cost of the project. Any public highway affected by the construction of the project may be vacated or relocated by the authority in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as a part of the cost of the project. In all undertakings authorized by this subsection the authority shall consult and obtain the approval of the New Jersey Department of Transportation.

b. In addition to the foregoing powers the authority and its authorized agents and employees may enter upon any lands, waters and premises for the purpose of making surveys, soundings, drillings and examinations as it may deem necessary or convenient for the purposes of the act, all in accordance with due process of law, and such entry shall not be deemed a trespass nor shall an entry for such purpose be deemed an entry under any condemnation proceedings which may be then pending. The authority shall make reimbursement for any actual damages resulting to such lands, waters and premises as a result of such activities.

c. The authority shall also have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances (herein called "public utility facilities") of any public utility as defined in R. S. 48:2-13, in, on, along, over or under the project. Whenever the authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under the project shall be relocated in the project, or should be removed therefrom, the public utility owning or operating such facilities shall relocate or remove the same in accordance with the order of the authority provided, however, that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location, or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any such relocation or removal of facilities, as aforesaid, the public utility owning or operating the same, its successors or assigns, may maintain and operate such facilities, with the necessary appurtenance, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate such facilities in their former location or locations. In all undertakings authorized by this subsection the authority shall consult and obtain the approval of the Public Utilities Commission.

9.

a. Upon the exercise of the power of eminent domain, the compensation to be paid thereunder shall be ascertained and paid in the

manner provided in chapter 1 of Title 20 of the Revised Statutes insofar as the provisions thereof are applicable and not inconsistent with the provisions contained in this act. The authority may join in separate subdivisions in one petition or complaint the descriptions of any number of tracts or parcels of land or property to be condemned and the names of any number of owners and other parties who may have an interest therein and all such land or property included in said petition or complaint may be condemned in a single proceeding; provided, however, that separate awards be made for each tract or parcel of land or property; and provided further, that each of said tracts or parcels of land or property lies wholly in or has a substantial part of its value lying wholly within the same county.

b. Upon the filing of such petition or complaint or at any time thereafter the authority may file with the clerk of the county in which such property is located and also with the Clerk of the Superior Court a declaration of taking, signed by the authority declaring that possession of one or more of the tracts or parcels of land or property described in the petition or complaint is thereby being taken by and for the use of the authority. The said declaration of taking shall be sufficient if it sets forth (1) a description of each tract or parcel of land or property to be so taken sufficient for the identification thereof to which there shall be attached a plan or map thereof; (2) a statement of the estate or interest in the said land or property being taken; (3) a statement of the sum of money estimated by the authority by resolution to be just compensation for the taking of the estate or interest in each tract or parcel of land or property described in said declaration; and (4) that, in compliance with the provisions of the act, the authority has established and is maintaining a trust fund as hereinafter provided.

c. Upon the filing of the said declaration, the authority shall deposit with the Clerk of the Superior Court the amount of the estimated compensation stated in said declaration. In addition to the said deposits with the Clerk of the Superior Court the authority at all times shall maintain a special trust fund on deposit with a bank or trust company doing business in the State in an account at least equal to twice the aggregate amount deposited with the Clerk of the Superior Court as estimated compensation for all property described in declarations of taking with respect to which the com-

pensation has not been finally determined and paid to the persons entitled thereto or into court. Said trust fund shall consist of cash or securities readily convertible into cash constituting legal investment for trust funds under the laws of the State. Said trust fund shall be held solely to secure and may be applied to the payment of just compensation for the land or other property described in such declarations of taking. The authority shall be entitled to withdraw from said trust fund from time to time so much as may then be in excess of twice the aggregate of the amount deposited with the Clerk of the Superior Court as estimated compensation for all property described in declarations of taking with respect to which the compensation has not been finally determined and paid to the persons entitled thereto or into court.

d. Upon the filing of the said declaration as aforesaid and depositing with the Clerk of the Superior Court the amount of the estimated compensation stated in said declaration, the authority without other process or proceedings, shall be entitled to the exclusive possession and use of each tract of land or property described in said declaration and may forthwith enter into and take possession of said land or property, it being the intent of this provision that the proceedings for compensation or any other proceedings relating to the taking of said land or interest therein or other property shall not delay the taking of possession thereof and the use thereof by the authority for the purpose or purposes for which the authority is authorized by law to acquire or condemn such land or other property or interest therein.

e. The authority shall cause notice of the filing of said declaration and the making of said deposit to be served upon each party in interest named in the petition residing in the State, either personally or by leaving a copy thereof at his residence, if known, and upon each party in interest residing out of the State, by mailing a copy thereof to him at his residence, if known. In the event that the residence of any such party or the name of such party is unknown, such notice shall be published at least once in a newspaper published or circulating in the county or counties in which the land is located. Such service, mailing or publication shall be made within 10 days after filing such declaration. Upon the application of any party in interest and after notice to other parties in interest, including the authority, any judge of the superior court assigned to sit for said county may order that the money deposited with the Clerk of the Superior Court or any part

thereof be paid forthwith to the person or persons entitled thereto for or on account of the just compensation to be awarded in said proceeding; provided, that each such person shall have filed with the Clerk of the Superior Court a consent in writing that, in the event the award in the condemnation proceeding shall be less than the amount deposited, the court, after notice as herein provided and hearing, may determine his liability, if any, for the return of such difference or any part thereof and enter judgment therefor. If the amount of the award as finally determined shall exceed the amount so deposited, the person or persons to whom the award is payable shall be entitled to recover from the authority the difference between the amount of the deposit and the amount of the award, with interest at the then legal rate from the date of making the deposit. If the amount of the award shall be less than the amount so deposited, the Clerk of the Superior Court shall return the difference between the amount of the award and the deposit to the authority unless the amount of the deposit or any part thereof shall have theretofore been distributed, in which event the court, on petition of the authority and notice to all persons interested in the award and affording them an opportunity to be heard, shall enter judgment in favor of the authority for such difference against the party or parties liable for the return thereof. The authority shall cause notice of the date fixed for such hearing to be served upon each party thereto residing in the State either personally or by leaving a copy thereof at his residence, if known, and upon each party residing out of the State by mailing a copy to him at his residence, if known. In the event that the residence of any party or the name of such party is unknown, such notice shall be published at least once in a newspaper published or circulating in the county or counties in which the land is located. Such service, mailing or publication shall be made at least 10 days before the date fixed for such hearing.

Whenever under chapter 1 of Title 20 of the Revised Statutes the amount of the award may be paid into court, payment may be made into the Superior Court and may be distributed according to law. The authority shall not abandon any condemnation proceeding subsequent to the date upon which it has taken possession of the land or property as herein provided.

10.

a. The authority shall have the power and is hereby authorized from time to time to issue its bonds or notes in such principal amounts as in the opinion of the authority shall be necessary to provide sufficient funds for any of its corporate purposes, including the payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds or notes issued by it whether the bonds or notes or interest to be funded or refunded have or have not become due, the establishment or increase of such reserves to secure or to pay such bonds or notes or interest thereon and all other costs or expenses of the agency incident to and necessary to carry out its corporate purposes and powers.

b. Except as may be otherwise expressly provided in the act or by the authority, every issue of bonds or notes shall be general obligations payable out of any revenues or funds of the authority, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or funds. The authority may issue such types of bonds or notes as it may determine, including (without limiting the generality of the foregoing) bonds or notes as to which the principal and interest are payable (1) exclusively from the revenues and receipts of the part of the project financed with the proceeds of such bonds or notes; (2) exclusively from the revenues and receipts of certain designated parts of the project whether or not the same are financed in whole or in part from the proceeds of such bonds or notes; or (3) from its revenues and receipts generally. Any such bonds or notes may be additionally secured by a pledge of any grant, subsidy or contribution from the United States of America or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof, or any person, firm or corporation, or a pledge of any income or revenues, funds or moneys of the authority from any source whatsoever.

c. Whether or not the bonds and notes are of such form and character as to be negotiable instruments under the terms of Title 12A, Commercial Transactions, New Jersey Statutes, the bonds and notes are hereby made negotiable instruments within the meaning of and for all the purposes of said Title 12A, subject only to the provisions of the bonds and notes for registration.

d. Bonds or notes of the authority shall be authorized by a resolution or resolutions of the authority and may be issued in one or more

series and shall bear such date, or dates, mature at such time or times, bear interest at such rate or rates of interest per annum, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable from such sources in such medium of payment at such place or places within or without the State, and be subject to such terms of redemption (with or without premium) as such resolution or resolutions may provide.

e. Bonds or notes of the authority may be sold at public or private sale at such price or prices and in such manner as the authority shall determine. Every bond shall mature and be paid not later than 40 years from the date thereof.

f. Bonds or notes may be issued under the provisions of the act without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or other things than those proceedings, conditions or things which are specifically required by the act.

g. Bonds and notes of the authority issued under the provisions of the act shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision but all such bonds and notes, unless funded or refunded by bonds or notes of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized in the act. Each bond and note shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay such principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds or notes.

h. All expenses incurred in carrying out the provisions of the act shall be payable solely from revenues or funds provided or to be

provided under the provisions of the act and nothing in the act shall be construed to authorize the authority to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof.

11.

In any resolution of the authority authorizing or relating to the issuance of any bonds or notes, the authority, in order to secure the payment of such bonds or notes and in addition to its other powers, shall have power by provisions therein which shall constitute covenants by the authority and contracts with the holders of such bonds or notes:

a. To pledge all or any part of its rents, fees, tolls, revenues or receipts to which its right then exists or may thereafter come into existence, and the moneys derived therefrom, and the proceeds of any bonds or notes;

b. To pledge any lease or other agreement or the rents or other revenues thereunder and the proceeds thereof;

c. To mortage all or any part of its property, real or personal, then owned or thereafter to be acquired;

d. To covenant against pledging all or any part of its rents, fees, tolls, revenues or receipts or its leases or agreements or rents or other revenues thereunder or the proceeds thereof, or against mortgaging all or any part of its real or personal property then owned or thereafter acquired, or against permitting or suffering any lien on any of the foregoing;

e. To covenant with respect to limitations on any right to sell, lease or otherwise dispose of any project or any part thereof or any property of any kind;

f. To covenant as to any bonds and notes to be issued and the limitations thereon and the terms and conditions thereof and as to the custody, application, investment, and disposition of the proceeds thereof;

g. To covenant as to the issuance of additional bonds or notes or as to limitations on the issuance of additional bonds or notes and on the incurring of other debts by it;

h. To covenant as to the payment of the principal of or interest on the bonds or notes, or any other obligations, as to the sources and

methods of such payment, as to the rank or priority of any such bonds, notes or obligations with respect to any lien or security or as to the acceleration of the maturity of any such bonds, notes or obligations;

i. To provide for the replacement of lost, stolen, destroyed or mutilated bonds or notes;

j. To covenant against extending the time for the payment of bonds or notes or interest thereon;

k. To covenant as to the redemption of bonds or notes and privileges of exchange thereof for other bonds or notes of the authority;

l. To covenant as to the rates of toll and other charges to be established and charged, the amount to be raised each year or other period of time by tolls or other revenues and as to the use and disposition to be made thereof;

m. To covenant to create or authorize the creation of special funds or moneys to be held in pledge or otherwise for construction, operating expenses, payment or redemption of bonds or notes, reserves or other purposes and as to the use, investment, and disposition of the moneys held in such funds;

n. To establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given;

o. To covenant as to the construction, improvement, operation or maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

p. To provide for the release of property, leases or other agreements, or revenues and receipts from any pledge or mortgage and to reserve rights and powers in, or the right to dispose of, property which is subject to a pledge or mortgage;

q. To provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and to prescribe the events of default and the terms and conditions upon which any or all of the bonds, notes or other obligations of the authority shall become or may be declared due and payable before maturity

and the terms and conditions upon which any such declaration and its consequences may be waived;

r. To vest in a trustee or trustees within or without the State such property, rights, powers and duties in trust as the authority may determine, including the right to foreclose any mortgage, and to limit the rights, duties and powers of such trustee;

s. To execute all mortgages, bills of sale, conveyances, deeds of trust and other instruments necessary or convenient in the exercise of its powers or in the performance of its covenants or duties;

t. To pay the costs or expenses incident to the enforcement of such bonds or notes or of the provisions of such resolution or of any covenant or agreement of the authority with the holders of its bonds or notes;

u. To limit the powers of the authority to construct, acquire or operate any structures, facilities or properties which may compete or tend to compete with the project;

v. To limit the rights of the holders of any bonds or notes to enforce any pledge or covenant securing bonds or notes; and

w. To make covenants other than in addition to the covenants herein expressly authorized, of like or different character, and to make such covenants to do or refrain from doing such acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the authority, will tend to make bonds or notes more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

12.

Any pledge of revenues, moneys, funds or other property made by the authority shall be valid and binding from the time when the pledge is made; the revenues, moneys, funds or other property so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge of revenues, moneys or funds is

created need be filed or recorded except in the records of the authority.

13.

Neither the members of the authority nor any person executing bonds or notes issued pursuant to this act shall be liable personally on such bonds or notes by reason of the issuance thereof.

14.

The authority may establish such reserves, funds or accounts as may be, in its discretion, necessary or desirable to further the accomplishment of the purposes of the authority or to comply with the provisions of any agreement made by or any resolution of the authority.

15.

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 the 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 the project in any way that would jeopardize the interest of such holders, 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 rents, fees, rates 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 and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, until the bonds, together with interest thereon, are fully met and discharged or provided for.

16.

The State and all public officers, governmental units and agencies thereof, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustee and other fiduciaries, may legally invest any sinking funds, moneys or other funds belonging to them or within their

control in any bonds or notes issued pursuant to the act, and such bonds or notes shall be authorized security for any and all public deposits.

17.

All counties and municipalities and other governmental subdivisions, all authorities, and all public departments, agencies and commissions of the State, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the authority at its request upon such terms and conditions as the governing body or other proper authorities of such counties, municipalities and governmental subdivisions, authorities and departments, agencies or commissions of the State may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the authorizing ordinance of the governing body of the municipality, the authorizing resolution of the governing body of the county, or the regular and formal action of any public body concerned, any real property or interest therein which may be necessary or convenient to the effectuation of the purposes of the authority, including public highways and other real property already devoted to public use, provided that such real property is located within the 750 acre site authorized for the project. No property of the State, other than meadowlands, riparian lands or lands under water and similar lands or interests therein referred to in Title 12, Commerce and Navigation, and Title 13, Conservation and Development, of the Revised Statutes, as amended, shall be so granted, leased or conveyed to the authority except upon payment to the State of such price therefor as may be fixed by the State House Commission.

18.

a. All projects and other property of the authority is hereby declared to be public property devoted to an essential public and governmental function and purpose and shall be exempt from all taxes and special assessments of the State or any political subdivision thereof; provided, however, that when any part of the project site not occupied or to be occupied by facilities of the project is leased by the authority to another whose property is not exempt and the leasing of which does not make the real estate taxable, the estate created by the lease and the appurtenances thereto shall be listed as

the property of the lessee thereof, or his assignee, and be assessed and taxed as real estate. All bonds or notes issued pursuant to the act are hereby declared to be issued by a body corporate and public of the State and for an essential public and governmental purpose and such bonds and notes, and the interest thereon and the income therefrom, and all funds, revenues, income and other moneys received or to be received by the authority and pledged or available to pay or secure the payment of such bonds or notes, or interest thereon, shall at all times be exempt from taxation except for transfer, inheritance and estate taxes.

b. To the end that there does not occur an undue loss of future tax revenues by reason of the acquisition of real property by the authority for the meadowlands complex, the authority annually shall make payments in-lieu-of-taxes to the municipality in which such property is located in an amount computed in each year with respect to each such municipality by multiplying the total amount to be raised by real property taxation in each such year by a fraction, the numerator of which is the amount of real property taxes assessed against the property acquired by the authority in the tax year in which this act becomes effective and the denominator of which is the total amount to be raised by real property taxation in such municipality in the tax year in which this act becomes effective. Such payments shall be made in each year commencing with the first year subsequent to the year in which such real property shall have been converted from a taxable to an exempt status by reason of acquisition thereof by the authority.

c. The authority is further authorized and empowered to enter into any agreement or agreements with the Meadowlands Commission or with any county or municipality located in whole or part within the Hackensack meadowlands whereby the authority will undertake to pay any additional amounts to compensate for any loss of tax revenues by reason of the acquisition of any real property by the authority for the meadowlands complex or to pay amounts to be used by such commission, county or municipality in furtherance of the development of the Hackensack meadowlands, including the meadowlands complex. The commission and every such county and municipality is authorized and empowered to enter into such agreements with the authority and to accept payments which the authority makes thereunder.

d. All payments to municipalities pursuant to subsections b. and c. shall be treated as payments in-lieu-of-property taxes for all purposes of article 9 of P. L. 1968, c. 404 (C. 13:17-60 to 13:17-76).

19.

On or before the last day of February in each year the authority shall make an annual report of its activities for the preceding calendar year to the Governor and to the Legislature. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof shall be considered an expense of the authority and a copy thereof shall be filed with the Comptroller of the Treasury.

20.

All officers, departments, boards, agencies, divisions and commissions of the State are hereby authorized and empowered to render any and all of such services to the authority as may be within the area of their respective governmental functions as fixed or established by law, and as may be requested by the authority. The cost and expense of any such services shall be met and provided for by the authority.

21.

The authority, in the exercise of its authority to make and enter into contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers, shall adopt standing rules and procedures providing that, except as hereinafter provided, no contract on behalf of the authority shall be entered into for the doing of any work, or for the hiring of equipment or vehicles, where the sum to be expended exceeds the sum of $2,500.00 unless the authority shall first publicly advertise for bids therefor, and shall award the contract to the lowest responsible bidder; provided, however, that such advertising shall not be required where the contract to be entered into is one for the furnishing or performing services of a professional nature or for the supplying of any product or the rendering of any service by a public utility subject to the jurisdiction of the Public Utilities Commission and tariffs and schedules of the charges, made, charged, or exacted by the public utility for any such

products to be supplied or services to be rendered are filed with said commission. This section shall not prevent the authority from having any work done by its own employees, nor shall it apply to repairs, or to the furnishing of materials, supplies or labor, or the hiring of equipment or vehicles, when the safety or protection of its or other public property or the public convenience require, or the exigency of the authority's service will not admit such advertisement. In such case the authority shall, by resolution, passed by the affirmative vote of a majority of its members, declare the exigency or emergency to exist, and set forth in the resolution the nature thereof and the approximate amount to be so expended.

22.

The site of the meadowlands complex shall not exceed 750 acres. It is the express intent of the Legislature that the powers of the authority to undertake the meadowlands complex shall be limited to the site of the project and that, with respect to the remainder of the Hackensack meadowlands, the rights, powers, duties and purposes of the Meadowlands Commission shall not in any way be limited or abridged by the provisions of this act.

23.

It is the express intent of the Legislature that the authority in undertaking the meadowlands complex shall consult with the Meadowlands Commission and the Department of Environmental Protection with respect to the ecological factors constituting the environment of the Hackensack meadowlands to the end that the delegate environmental balance of the Hackensack meadowlands may be maintained and preserved.

24.

It is the intent of the Legislature that in the event of any conflict or inconsistency in the provisions of the act and any other acts pertaining to matters herein established or provided for or in any rules and regulations adopted under the act or said other acts, to the extent of such conflict or inconsistency, the provisions of the act and the rules and regulations adopted thereunder shall be enforced and the provisions of such other acts and rules and regulations adopted thereunder shall be of no force and effect.

25.

If any clause, sentence, paragraph, section or part of the act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

26.

The act shall be construed liberally to effectuate the legislative intent and the purposes of the act as complete and independent authority for the performance of each and every act and thing herein authorized and all powers herein granted shall be broadly interpreted to effectuate such intent and purposes and not as a limitation of powers.

27.

There is hereby appropriated to the authority from the General State Fund the sum of $1,500,000.00, or so much thereof as may be necessary, for the purposes of carrying out its function and duties pursuant to this act. Such appropriation shall be repaid to the General State Fund as soon as practicable out of the proceeds of the first bonds issued by the authority or other available funds.

28.

This act shall take effect immediately.

Approved and effective May 10, 1971.