LAWS—NEW JERSEY
1981

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ACTS

OF THE

Second Annual Session

OF THE

One Hundred and Ninety-ninth Legislature

OF THE

STATE OF NEW JERSEY

AND

Twenty-eighth Under the New Constitution

New Jersey State Library

1981

The following laws, enacted by the Second Annual Session of the One Hundred and Ninety-ninth Legislature, and an index of the laws, are published in accordance with R. S. 1:3–1 et seq.

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LAWS

ACTS

ENACTED BY THE

Second Annual Session

OF THE

One Hundred and Ninety-ninth Legislature

CHAPTER 1

AN ACT to amend "An act to regulate and license employment agencies and certain employees of such agencies, defining the same, fixing the fees for such licenses and imposing penalties for violations, and supplementing Title 34 of the Revised Statutes," approved July 19, 1951 (P. L. 1951, c. 337) and supplementing P. L. 1960, c. 39.

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

1. Section 1 of P. L. 1951, c. 337 (C. 34:8–24) is amended to read as follows:

C. 34:8-24 Definitions.

1. As used in this act:

"Employment agency" means and includes the business of procuring or offering to procure help or employment, or the giving of information as to where help or employment may be procured, whether the business is conducted in a building or on the street or elsewhere; or the business of keeping an employment bureau, nurses' registry, or agency for procuring engagements for vaudeville or theatrical performers, or other agency or office for procuring work or employment for persons, where a fee or privilege is exacted, charged or received directly or indirectly for procuring or assisting or promising to procure employment, work, engagement or a situation of any kind, or for procuring or providing help

or promising to provide help for any person, whether such fee is collected from the applicant for employment or the applicant for help, or whether the application for help or employment is made directly or indirectly by either the prospective employer or the prospective employee or by any person acting to secure either help or employment for the prospective employer or the prospective employee. "Employment agency" shall not include any temporary help service firms.

"Fee" means and includes any payment of money, or promises to pay money, or the excess of money received by a person furnishing employment or employees over what he has paid for transportation, transfer or baggage or lodging for an applicant for employment. It shall also mean and include the difference between the amount of money received by any person who either furnishes employees or performers for any entertainment, exhibition or performance, or who furnishes baby sitters for any occasion, and the amount paid by such person or persons to the employees, performers or baby sitters.

"Privilege" means and includes the furnishing of food, supplies, tools or shelter to contract laborers, commonly known as commissary privileges. The furnishing of food, supplies, tools or shelter to laborers, if performed or paid for within this State, both in connection with the promise or offer to provide help or employment regardless of where such offer is made or where the help is obtained, shall be considered proof of violation of this act.

"Attorney General" means the Attorney General of this State or his duly authorized representative.

"Contract laborers" means unskilled or skilled workers, of either sex, furnished either directly or indirectly by any person, engaged directly or indirectly in the business of furnishing employees, to employers by whom they are to be employed in groups of five or more persons.

"Employment agency owner's license" means a license authorizing the person to whom it is issued to own an employment agency and to have such employment agency operated by a person or persons duly authorized to perform the functions for which the agency is licensed.

"Employment agency operator's license" means a license issued to an individual person who is the holder of an employment agency owner's license or to an employee or agent of the holder of an employment agency owner's license. When held by the employee

or agent of the holder of an employment agency owner's license such employment agency operator's license shall authorize the holder to perform such functions as he may be duly authorized and empowered by his employer to perform and for the performance of which an employment agency operator's license is required. No person, other than the holder of an employment agency operator's license, shall furnish help or employment, or furnish information as to where help or employment may be obtained, or manage, operate or carry on the business of an employment agency.

"Representative" means any individual person holding an employment agency operator's license duly authorized and empowered by the owner of the employment agency owner's license, by whom he is employed, to solicit business and otherwise act as the duly authorized representative of his employer to the extent of such authorization and subject to the provisions of this act.

"Employee" means an applicant for a job, or an engagement to work, who is furnished to an employer, or prospective employer, by an employment agency. This definition shall not apply to employees of the employment agency.

"Employer" means an applicant for help for whom an employee is to be supplied by an employment agency.

"Rules and regulations" means such rules and regulations as shall have been promulgated by the Attorney General and are not inconsistent with the provisions of this act.

"Vaudeville or theatrical performers" means individual persons or groups of persons whose services are available for hire for the purposes of furnishing entertainment or amusement, whether the services are rendered by individuals performing alone or in groups commonly described as entertainment acts.

"Agency for procuring engagements for theatrical or vaudeville performers" means any person engaged in the business of procuring employment for vaudeville or theatrical employees for any employer other than himself.

"Baby sitters" means and includes any individual person under 21 years of age, of either sex, other than a registered nurse or a licensed nurse, entrusted temporarily with the care of children during the absence of their parents, guardians, or persons standing in loco parentis to them. This definition shall not include persons regularly employed by agencies, or institutions operated by or under the control or supervision of this State, or any of its political

subdivisions, nor any nurseries operated for the care of children when such nurseries are similarly controlled or supervised.

"Temporary help service firm" means and includes any person, firm or entity who operates a business which consists of employing individuals directly for the purpose of assigning his employees to assist his customers in the handling of his customers' temporary, excess or special work loads, and who, in addition to the payment of wages or salaries to his employees, pays Federal social security taxes and State and Federal unemployment insurance, carries workmen's compensation insurance as required by State law, and sustains responsibility for the actions of his employees while rendering services to his customers.

2. Section 2 of P. L. 1951, c. 337 (C. 34:8–25) is amended to read as follows:

C. 34:8-25 Provisions of act not applicable.

2. The provisions of this act shall not apply to:

(1) A business or persons engaged therein which is confined to procuring employment in schools or institutions of learning recognized and approved as such by the Department of Education of this State, or by the duly established authority of the State in which the employment is procured when the employment procured is restricted to positions for teachers who are recognized and approved as such by the said Department of Education under its authority to qualify and certify teachers;

(2) Departments or bureaus maintained by persons for the purpose of securing help for themselves where no fee is charged the applicant for employment, or to any State, Federal, or municipal or charitable agency where no fee is charged. The exemption from the provisions of this act of departments or bureaus maintained by persons for the purpose of securing help for themselves shall not be construed to exempt associations or organizations of employers from the requirement to procure such license or licenses as are otherwise required under this act;

(3) The procuring of employment by any labor union for any of its members in any job or jobs coming under the jurisdiction of the union; provided, that no fee is charged any employee for being furnished employment or information where employment may be procured;

(4) Any nurses' registry conducted by any association of registered nurses, whose membership is not less than ten registered

nurses, duly incorporated as a nonprofit organization under the laws of New Jersey, and operated under the supervision of a registered nurse legally authorized to practice as such in the State of New Jersey; provided, that no such nurses' registry shall furnish help or employment in any occupation other than as a registered nurse, a practical nurse, licensed by the State of New Jersey, or persons other than baby sitters approved by the registered nurse in charge of such nurses' registry and sent by the agency to an employer to assist nonprofessionally in the care of the sick or ailing; or

(5) Any association of farmers duly incorporated on a nonprofit basis, under the provisions of the laws of New Jersey, and certified to the Attorney General by the Secretary of Agriculture of New Jersey as being an association of bona fide farmers of New Jersey; providing, that such association of farmers does not furnish help to any person or persons other than members of their association; and further provided, that no fee is charged any employee for being furnished employment or information where employment may be procured. The provisions of this act shall not apply to any person who furnishes for or to farmers, workers to be employed on a seasonal basis in the occupation of field workers or harvest hands and by whom no fee is charged either directly or indirectly to any worker, or to whom any fee is paid either directly or indirectly by any worker for the furnishing or agreeing to furnish either help for farmers or employment for workers; provided, that the wages of such workers are paid directly to the workers by the farmers by whom they are employed; provided, however, the exemptions established in this paragraph shall not apply to any person who induces or attempts to induce a person working under contract with his employer to leave the employment in which he is working under said contract until such time as said contract is completed or the employee is no longer responsible for its completion.

(6) Any temporary help service firm; provided, that no fee or liquidated charge is charged any employee employed by the temporary help service firm or in connection with such employment. In addition, no temporary help service firm shall by contract with any of its temporary employees, prevent or inhibit any of such employees from becoming employed by any other person, firm or entity; further provided, that no temporary help service firm shall knowingly send its employees to, or knowingly continue to render services to, any plant or office where a strike or lockout is in

progress for the purpose of replacing striking or locked out employees. Any director, officer or partner conducting a temporary help service firm which knowingly sends its employees to, or knowingly continues to render services to, a plant or office where a strike or lockout is in progress for the purpose of replacing striking or locked out employees, or directly or indirectly counsels, aids or abets such an action shall be liable to a penalty of $1,000.00 upon each such occurrence. Such penalty shall be sued for and received by and in the name of the Attorney General of New Jersey and shall be collected and enforced by summary proceedings pursuant to "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.).

This exclusion shall apply to temporary help service firms operated by any person, firm or entity who also operates an employment agency as long as the businesses are not commingled and are operated separately as prescribed by rules and regulations promulgated by the Attorney General.

3. Section 3 of P. L. 1951, c. 337 (C. 34:8–26) is amended to read as follows:

C. 34:8-26 Employment agencies; license requirements; transfer or amendment; violation of act; penalty.

3. No person shall either directly or indirectly open, conduct or maintain an employment agency or perform any of the functions of an employment agency without first obtaining such license or licenses as is or are required by the provisions of this act. No license shall authorize the furnishing of help or employment or the furnishing of information where help or employment may be procured in the capacity of baby sitters. No employee of a licensee shall be exempt from the requirement of securing a license for the performance of any act for which a license is required by this act. No license shall be of avail to any person other than the individual person or persons holding such license except that a corporation may be the holder of an employment agency owner's license. No license shall be of avail for use at any place other than at the place designated in such license. No license, issued to an employee of any employment agency shall authorize his employment by any other employment agency. No employment agency owner's license shall be transferred or amended unless a consent thereto, in writing, is given by the Attorney General. No employment agency owner's license shall be transferred by the licensee to any other person except upon the written consent of the Attorney General, and the payment of the fee prescribed by this act.

Upon the termination of the employment of the holder of an employment agency operator's license the holder of the employment agency owner's license by whom the holder of said employment agency operator's license has been employed shall promptly notify the Attorney General of the termination of the employment. The employment agency operator's license shall thereupon be canceled and the holder thereof entitled to the issuance of a new license for the unexpired term of the old license without payment of additional fee upon the written request of such holder thereof and the holder of the employment agency owner's license who is to be named in such new license as the new employer; provided, however, that the Attorney General may refuse to issue such new license for any good cause shown within the provisions of this act.

Any unlicensed person or any officer or agent of any unlicensed corporation who shall either directly or indirectly open, conduct or maintain an employment agency, or any person who shall knowingly permit any unlicensed employee or agent to perform any act, the performer of which is required to be licensed, shall be guilty of a misdemeanor and shall be punishable by a fine of not less than $50.00 nor more than $250.00 or by imprisonment for a period of not more than 1 year, or both.

Any person performing any act, the performance of which is within the definition of employment agency operator's license, without holding such a license, shall be guilty of a misdemeanor and shall be punishable by a fine of not less than $50.00 nor more than $250.00, or by imprisonment for a period of not more than 1 year, or both.

4. Section 4 of P. L. 1951, c. 337 (C. 34:8–27) is amended to read as follows:

C. 34:8-27 Applications for licenses; action by Attorney General.

4. Applications for licenses required by this act shall be made, in writing to the Attorney General, in such form as shall be prescribed by the rules and regulations promulgated by the Attorney General.

Each application for an employment agency owner's license shall state the complete address, including street and street number of the building and place where the agency is to be conducted and shall enumerate the type or class of occupations in which the applicant intends to furnish help or employment.

Each application for an employment agency operator's license shall state the name and address of the applicant, the name of the

holder of an employment agency owner's license, by whom the applicant expects to be employed, and such other information, concerning the applicant and his education and experience, as may be required by the Attorney General to assist him in determining the applicant's responsibility and qualifications in respect to the type of license applied for. Any such application shall also enumerate the type or class of occupations in which the applicant intends to deal in the furnishing of help or employment. No employment agency operator's license shall be issued until the holder of the employment agency owner's license to be named therein shall confirm to the Attorney General in writing the agreement of employment of the holder of the employment agency operator's license by the holder of the employment agency owner's license.

The Attorney General shall act upon any application for a license within 30 days after receiving the same, but shall not grant any license until the application therefor shall have been on file for at least 1 week and notice of the application and opportunity to be heard in the case of the application for an employment agency owner's license shall have been given to every holder of an employment agency owner's license in the county where the proposed agency is to be located, and in the case of an application for an employment agency operator's license similar notice and opportunity shall have been given to every holder of an employment agency owner's license whose agency is located in the same county with the agency by which the applicant is to be employed; provided, that the foregoing provisions concerning notice and opportunity to be heard shall not apply in the case of the issuance of a new employment agency operator's license to the holder of such a license as provided for in the second paragraph of section 3 of this act. The mailing of the notices herein required by first-class mail 1 week prior to the date on which the Attorney General acts on the application shall constitute the giving of the notice required by this paragraph. For the purpose of allowing an applicant to submit additional information, the Attorney General may extend the maximum time for acting upon an application from 30 to 60 days.

5. Section 5 of P. L. 1951, c. 337 (C. 34:8–28) is amended to read as follows:

C. 34:8-28 Written examination; requirements; waiver; issuance of provisional temporary license; qualifications; expiration date of license.

5. Every applicant for an employment agency operator's license under this act shall, by means of such written examination as may

be required by the rules and regulations promulgated by the Attorney General, reasonably satisfy the Attorney General that the applicant has sufficient knowledge of the provisions of this act, the rules and regulations promulgated by the Attorney General, and of the labor laws of this State to reasonably insure that any acts performed by him as licensee will be in compliance with the applicable laws and regulations, and further that by means of examination he shall reasonably satisfy the Attorney General that he has sufficient knowledge of and experience in relation to the fields of employment specified in his application as will insure his ability to render adequate and efficient service to persons seeking help or employment; however, for the purpose of enabling persons to secure experience and knowledge necessary to qualify them as an operator, the Attorney General may waive such of the requirements of this paragraph as he deems proper and issue a provisional temporary license authorizing the holder to perform functions requiring a license, when acting under the direct supervision of a duly qualified licensed operator; provided, that no such temporary license shall remain in effect for more than 1 year.

Every applicant for an employment agency owner's license shall furnish such evidence as may be required by the Attorney General to satisfy him that the applicant, or in the case of a corporate applicant, its officers and directors, is or are of good moral character. Such evidence shall include the affidavits of at least three reputable citizens of this State who have known the applicant or said officers or directors for a period of at least 5 years. Every applicant, and every officer and director of a corporate applicant, shall be citizens of the United States and shall furnish proof thereof. Every applicant shall furnish such additional information, concerning himself or its officers and directors, as may be required by the rules and regulations promulgated by the Attorney General for the purpose of assisting him in investigating the character and responsibility of the applicant or its officers and directors.

An applicant for an employment agency operator's license shall furnish information which will reasonably satisfy the Attorney General that the applicant has sufficient knowledge of opportunities for employment in this State and of the essential qualifications of employees in the occupations in which he intends to furnish help or employment.

Any such applicant for an employment agency operator's license shall be:

(1) A citizen of the United States of America, and

(2) Of good moral character, attested to by affidavits of not less than two reputable citizens of the State, whose acquaintance with the applicant shall have been for at least 1 year.

Any applicant for an employment agency operator's license shall with his application submit to the Attorney General, in writing, information reasonably establishing that the applicant has had sufficient formal education or the equivalent thereof to enable him to properly keep the records and do the clerical work required by this act.

If the employment agency operator's license is restricted to the furnishing of help or employment in domestic service, the said educational and training qualifications of the applicant shall not be required but the Attorney General shall be satisfied that the applicant has had sufficient training or experience to furnish or place domestic help.

The Attorney General shall provide for the issuance of, and shall prescribe the form for, the licenses which he is authorized to issue pursuant to this act. The Attorney General, by rule promulgated by him, may require licenses to be posted and registration cards to be carried in such cases as he shall determine. All licenses, subject to revocation as provided in this act, shall expire on the first day of January next after their issuance.

6. Section 6 of P. L. 1951, c. 337 (C. 34:8–29) is amended to read as follows:

C. 34:8-29 Places where conducting employment agency not allowed.

6. An employment agency shall not be conducted in any of the following places:

(1) Rooms or quarters used for living purposes;

(2) Boarding or lodging houses, rooms or quarters;

(3) Sleeping rooms or quarters.

Where the application is for a license to operate an employment agency in a place used for the conduct of another business, the Attorney General may refuse to grant such license if, in his opinion, such refusal would be in the public interest. Should the other business be that of operating a temporary help service firm, the Attorney General may refuse to grant such license if the businesses are not operated separately as prescribed by the rules and regulations promulgated by the Attorney General.

7. Section 7 of P. L. 1951, c. 337 (C. 34:8–30) is amended to read as follows:

C. 34:8-30 Bond; amount.

7. Before an employment agency owner's license is issued, the applicant shall deposit with the Attorney General a bond in the penal sum of $1,000.00, with two or more sureties, or a duly authorized surety company as surety, to be approved by the Attorney General.

The bond shall be payable to the State and shall be conditioned that the person applying for the license will comply with this act and will pay all damages occasioned to any person by reason of any misstatement, misrepresentation, fraud or deceit, or any unlawful act or omission of any licensed person, his agents, or employees, while acting within the scope of their employment, made, committed or omitted in the business conducted under the license, or caused by any violation of this act in carrying on the business for which the license is granted. In case of a breach of the condition of any bond, application may be made to the Attorney General by the person injured by the breach for leave to sue upon the bond, which leave shall be granted by the Attorney General if it be proven to his satisfaction that the condition of the bond has been breached and the party applying has been injured thereby. The person obtaining leave to sue shall be furnished with a certified copy of the bond and institute suit on the bond in his own name for the recovery of damages sustained by such breach.

If at any time, in the opinion of the Attorney General, the sureties on any such bond, or any of them, shall become irresponsible, the person holding such license shall, upon notice from the Attorney General, give a new bond, subject to the provisions of this section. The failure to give a new bond within 10 days after such notice, at the direction of the Attorney General, shall operate as revocation of such license, and the license shall be thereupon returned to the Attorney General.

8. Section 9 of P. L. 1951, c. 337 (C. 34:8–32) is amended to read as follows:

C. 34:8-32 Schedule of fees; other requirements.

9. Every licensed employment agency shall:

(1) File with the Attorney General in form, approved by him, a schedule of fees proposed to be charged for any service rendered to employers seeking employees and to persons seeking employ-

ment; and adhere thereto in charging for such services. Before approving of said fee schedule the Attorney General shall be satisfied that same is reasonably understandable by persons subject to its terms.

(2) Post such schedule of fees in a conspicuous manner in the office of the agency using such blank forms as the Attorney General shall provide for such purpose.

(3) Keep and make available to the Attorney General, or his duly authorized representative, during regular business hours, such records containing information pertinent to applications for help or employment procured or furnished, advertising for help or employment, fees charged or collected, and to matters incidental and relevant thereto as are required by rules and regulations to enable the Attorney General to determine the status of compliance with the provisions of this act.

(4) Require all applicants for work in private families, or for positions of trust, to furnish the agency with names and addresses of persons available as character references, and whenever possible communicate, orally or in writing, with at least one of the persons given by the applicant as a character reference. If the applicant has not furnished the names of any persons available as character references, or if no favorable statement has been received from such character references, the agency shall so advise the prospective employer, to whom the applicant is referred. This information shall be written upon the referral slip given by the agency to the applicant for work to present to the prospective employer. A written result of the investigation to determine the character and responsibility of any applicant for help shall be kept on file in the agency subject to examination by the Attorney General. If the applicant for help voluntarily waives, in writing, an investigation of references, the licensed agency shall not be required to make such an investigation.

(5) Charge to an employee who is discharged without cause within 1 week not more than the scheduled fee for temporary employment or not more than 10% of the scheduled fee for permanent employment whichever of the two is the lesser; however, by mutual agreement between the agency and the employee the agency may charge the full fee for the job from which the employee has been discharged without cause and furnish the employee another job for which no charge is to be made.

(6) Charge an applicant who fails to report for duty, after accepting employment, not more than two-fifths of the scheduled fee.

(7) Charge an applicant who leaves employment of his own accord within the first week of employment not more than two-fifths of the scheduled fee.

(8) Reimburse the applicant for transportation expenses if no employment of the kind applied for exists at the place to which the applicant is sent and the licensed agency did not have a bona fide order, either oral or written, from the prospective employer.

(9) If an applicant shall not accept or obtain help or employment through an employment agency to whom he had paid a fee or a part of a fee, the agency shall upon demand repay to the applicant the full amount of any fee or part of a fee which has been paid to the agency for such help or employment allowing 3 days' time to determine the fact of failure to obtain help or employment.

(10) Give to every applicant for employment, from whom a fee is received, a receipt in which shall be stated the name of the applicant, the date and amount of fee, the purpose for which it was paid, and to every applicant for help a receipt stating the name and address of the applicant, the date and amount of the fee, and the kind of help to be provided. Every such receipt shall have printed on the back thereof a brief abstract descriptive of the provisions of this act relating to such fees.

(11) Furnish each applicant for employment, who is sent to a prospective employer, with a card or similar paper containing the nature of the prospective employment, the names of the applicant and prospective employer, and the address of such employer. The said card or paper may be mailed to the applicant on the same day that the employee is sent to the prospective employer and a copy thereof to the prospective employer in lieu of furnishing the same to the applicant.

(12) Furnish to each applicant for employment who is sent to a prospective employer for an interview concerning the applicant's qualifications or future employment in a job for which no order has been given to the agency, a card or paper containing the names of the applicant and of the prospective employer, the address of the prospective employer and such other particulars as the agency may determine. In each such case, there shall be printed in boldface type on said card or paper the following:

"This card of introduction is given the bearer with the understanding that he is not obligated to this agency for any fee until such time as he may be employed as a result of the services rendered him by this agency and after the agency has received a bona fide order for help to fill the job which he has obtained."

(13) Post in the agency in such places as the Attorney General shall direct an abstract of this act and of the rules and regulations promulgated by the Attorney General in such form as he shall require. The Attorney General shall certify to the said abstracts.

9. Section 10 of P. L. 1951, c. 337 (C. 34:8–33) is amended to read as follows:

C. 34:8-33 Forbidden acts.

10. No employment agency shall:

(1) Conduct a lodging house for the unemployed unless it is separate and apart from the agency.

(2) Conduct its business, or any phase thereof, in any room or place where

(a) Person or persons sleep or conduct their household affairs, or

(b) Boarders or lodgers are kept.

(3) Charge or accept payment of any fees other than shown by its schedule of fees filed with the Attorney General and posted in the agency.

(4) Accept and receive any valuable thing or gift as or in lieu of a fee.

(5) Divide or offer to divide fees, directly or indirectly, with prospective or actual employers or any agent, employee, or representative of said employers.

(6) Accept payment of any fee or attempt to collect any fees for any service rendered with relation to any specific help or employment which the applicant has not accepted or obtained through the agency in cases where it is established that the applicant did not accept or obtain such help or employment through the agency.

(7) Make any statement or in any way allege or indicate to any applicant sent to seek employment at any place or by any prospective employer that work or employment is available at any such place or by any such prospective employer unless the agency does have a bona fide order for an employee to fill the job alleged or indicated as being available.

(8) Send or cause to be sent any person to become a servant or inmate of, or to enter, any place of bad repute, house of ill-fame or assignation, or to any house or place of amusement kept for immoral purposes, or to a place resorted to for the purposes of prostitution, or to an illegal gambling house.

(9) Knowingly permit persons of bad character, prostitutes, intoxicated persons or procurers to frequent the agency.

(10) Accept any application for employment made by or on behalf of any minor under the age of 16 years, or place or assist in placing any such minor in any employment whatever or place or assist in placing any minor under 18 years of age in any unlawful occupation.

(11) Induce or compel any person to enter the agency, for any purpose, by the use of force or by taking forcible possession of such person's property.

(12) Publish or cause to be published any false or fraudulent or misleading notice or advertisement. All advertisements of any agency by means of cards, circulars or signs, or in newspapers and other publications, and all letterheads, receipts and blanks shall contain the name and address of the agency, and no agency shall give any false promise or false representation concerning employment to any applicant for employment or help, or enter into any contract with any applicant for help or employment or induce or try to induce any applicant for help or employment to make any agreement, the provisions of which contract or agreement, if fulfilled, is in violation of any provisions of this act.

(13) Induce or attempt to induce any person working under contract with an employer to leave the employment under said contract until such time as said contract is completed or the employee is no longer responsible for its completion.

10. Section 11 of P. L. 1951, c. 337 (C. 34:8–34) is amended to read as follows:

C. 34:8-34 Withholding of license.

11. The Attorney General may withhold any license if it appears to him after investigation, and hearings if necessary, that the needs of employers and employees of any given municipality in which the employment agency is sought to be licensed are adequately served by public free employment offices or by licensed private employment agencies, or both; and that the granting of any additional license for an employment agency to be located in

any given municipality is contrary to the best interest and welfare of the public.

11. Section 12 of P. L. 1951, c. 337 (C. 34:8–35) is amended to read as follows:

C. 34:8-35 Refusal to issue or revocation of license.

12. The Attorney General may refuse to issue, and may revoke, any license for any failure to comply with, or violation of, the provisions of this act or for any other good cause shown, within the meaning and purpose of this act. No such refusal or revocation shall be made except upon reasonable notice to, and opportunity to be heard by, the applicant or licensee, as the case may be. The Attorney General instead of revoking any license, may suspend the same for such period of time as he shall determine to be just and proper, and he may issue a new license, notwithstanding the revocation of a prior license, provided he shall find that the applicant shall have become entitled to such new license.

12. Section 13 of P. L. 1951, c. 337 (C. 34:8–36) is amended to read as follows:

C. 34:8-36 Administration of act.

13. This act shall be administered by the Attorney General and he shall make and promulgate such rules and regulations as may be required for the effectuation of the purposes and provisions of this act; provided, that before such rules and regulations or modifications thereof may be promulgated, written notice shall be sent to the holder of each employment agency owner's license and each employment agency operator's license which notice shall contain in full the provisions of the rules and regulations proposed and notice of the time and place of a public hearing to be held not sooner than 5 days nor later than 15 days following the date of notice, at which hearing all persons in favor of or opposed to the proposed rules and regulations or modifications thereof may be heard; and further provided, that the purpose, the time and place of such hearing shall also be published for the information of the public not sooner than 5 days nor later than 15 days following the notice to licensees. Any rules and regulations or modifications thereof, promulgated by the Attorney General, shall be filed with the Secretary of State within 5 days after such promulgation.

13. Section 14 of P. L. 1951, c. 337 (C. 34:8–37) is amended to read as follows:

C. 34:8-37 Renewal of license.

14. Any person who is the holder of a license to open, keep or carry on any employment agency, issued under the provisions of Revised Statutes, Title 34, chapter 8, and who applies for a new license to be issued under the provisions of this act within a period of not more than 30 days prior to the expiration date of the license held by him at the time of such application shall be entitled to receive the new license applied for upon filing with the Attorney General the required bond and the payment of the required fee.

Any person who is a holder of an employment agency owner's license issued under the provisions of this act and who applies for a new license to be issued under the provisions of this act shall be entitled to receive the new license applied for upon filing with the Attorney General the required bond and the payment of the required fee.

Any individual person who, on the effective date of this act, is the holder of a license to open, keep or carry on an employment agency, issued under the provisions of Revised Statutes of New Jersey, Title 34, chapter 8, and who shall, within a period of not more than 30 days preceding the expiration date of such license, apply for an employment agency operator's license shall, upon the payment of the required fee, be entitled to receive an employment agency operator's license authorizing his dealing in the type of occupations and employment in which he has been authorized to deal in by the license held by him at the time of said application.

Any individual person who is the holder of an employment agency operator's license, issued under the provisions of this chapter, who shall file an application for a new license to become effective upon the expiration date of the license in effect at the time of application, shall, upon the payment of the required fee, be entitled to the license applied for.

C. 56:8-1.1 Services by temporary help service firms.

14. (New section) Services provided by a temporary help service firm shall constitute services within the term "merchandise" pursuant to P. L. 1960, c. 39, s. 1 (C. 56:8–1(c)), and the provisions of P. L. 1960, c. 39 (C. 56:8–1 et seq.) shall apply to the operation of a temporary help service firm.

The Attorney General shall promulgate rules and regulations pursuant to P. L. 1960, c. 39, s. 4 (C. 56:8–4). The Attorney General shall, by rule or regulation, establish, prescribe or change an annual fee or charge on temporary help service firms to such

extent as shall be necessary to defray all proper expenses incurred by his office in the performance of its duties under this section of this act but such fees or charges shall not be fixed at a level that will raise amounts in excess of the amount estimated to be so required. In addition to any other appropriate requirements, the Attorney General shall, by rule or regulation require the following:

a. Each temporary help service firm operating within the State of New Jersey shall, prior to the effective date of this act or commencement of operation and annually thereafter, notify the Attorney General as to its appropriate name, if applicable; the trade name of its operation; its complete address, including street and street number of the building and place where its business is to be conducted; and the names and resident addresses of its officers. Each principal or owner shall provide an affidavit to the Attorney General setting forth whether such principal or owner has ever been convicted of a crime.

b. When a temporary help service firm utilizes any location other than its primary location for the recruiting of applicants, including mobile locations, it shall notify the Office of the Attorney General of such fact in writing or by telephone, and subsequently confirm in writing prior to the utilization of such facility.

c. Each temporary help service firm shall at the time of its initial notification to the Attorney General, and annually thereafter, post a bond of $1,000.00 with the Attorney General to secure compliance with P. L. 1960, c. 39 (C. 56:8–1 et seq.) as amended and supplemented, provided however that the Attorney General may waive such bond for any corporation or entity having a net worth of $100,000 or more.

15. This act shall take effect on the ninetieth day next following enactment.

Approved January 16, 1981.

CHAPTER 2

AN ACT to amend the "Local Public Contracts Law," approved June 9, 1971 (P. L. 1971, c. 198).

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

1. Section 15 of P. L. 1971, c. 198 (C. 40A:11–15) is amended to read as follows:

C. 40A:11-15 Duration of certain contracts.

15. Duration of certain contracts. All purchases, contracts or agreements shall be made for a period not to exceed 12 consecutive months, except that contracts or agreements may be entered into for longer periods of time as follows:

(1) Supplying of

(a) Fuel for heating purposes, for any term not exceeding in the aggregate, 2 years;

(b) Fuel or oil for use of airplanes, automobiles, motor vehicles or equipment for any term not exceeding in the aggregate, 2 years;

(2) (Deleted by amendment.)

(3) The collection and disposal of garbage and refuse, for any term not exceeding in the aggregate, 5 years;

(4) The recycling of solid waste, for any term not exceeding 25 years, when such contract is in conformance with a solid waste management plan approved pursuant to P. L. 1970, c. 39 (C. 13:1E–1 et seq.), and with the approval of the Division of Local Government Services and the Department of Environmental Protection;

(5) Data processing service, for any term of not more than 3 years;

(6) Insurance, for any term of not more than 3 years;

(7) Leasing or servicing of automobiles, motor vehicles, electronic communications equipment, machinery and equipment of every nature and kind, for a period not to exceed 3 years; provided, however, such contracts shall be entered into only subject to and in accordance with the rules and regulations promulgated by the Director of the Division of Local Government Services of the Department of Community Affairs;

(8) The supplying of any product or the rendering of any service by a telephone company which is subject to the jurisdiction of the Board of Public Utility Commissioners for a term not exceeding 5 years;

(9) Any single project for the construction, reconstruction or rehabilitation of any public building, structure or facility, or any public works projects, including the retention of the services of any architect or engineer in connection therewith, for the length

of time authorized and necessary for the completion of the actual construction;

(10) The providing of food services to county colleges and county assisted institutions of higher education for any term not exceeding 3 years;

(11) On-site inspections undertaken by private agencies pursuant to the "State Uniform Construction Code Act" (P. L. 1975, c. 217; C. 52:27D–119 et seq.) for any term of not more than 3 years.

All multi-year leases and contracts entered into pursuant to this section 15, except contracts for the leasing or servicing of equipment supplied by a telephone company which is subject to the jurisdiction of the Board of Public Utilities or construction contracts authorized pursuant to subsection (9) above, shall contain a clause making them subject to the availability and appropriation annually of sufficient funds as may be required to meet the extended obligation, or contain an annual cancellation clause.

The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the fiscal year.

2. This act shall take effect immediately.

Approved January 23, 1981.

CHAPTER 3

AN ACT to amend "An act concerning the estates of certain minors, supplementing Title 3A of the New Jersey Statutes and repealing N. J. S. 3A:6–31 and 3A:6–32," approved February 27, 1980 (P. L. 1979, c. 494).

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

1. Section 1 of P. L. 1979, c. 494 (C. 3A:6–32.1) is amended to read as follows:

C. 3A:6-32.1 Payment or delivery of money or personal property to minor.

1. Any person under a duty to pay or deliver money or personal exceeding $5,000.00 per annum, by paying or delivering the money property to a minor may perform this duty, in amounts not

or property to, (a) the minor, if he is married; (b) a parent or parents of the minor; (c) any person having the care and custody of the minor with whom the minor resides; (d) a guardian of the person of the minor; or (e) a financial institution incident to a deposit in a Federally-insured savings account in the sole name of the minor and giving notice of the deposit to the minor. This act does not apply if the person making payment or delivery has actual knowledge that a guardian of the estate of the minor has been appointed or that an action for the appointment of a guardian of the estate of the minor is pending. The persons, other than the minor or any financial institution under (e) above, receiving money or property for a minor, are obligated to apply so much or all of the money or the income or proceeds of the property for the support, maintenance, education, general use and benefit of the minor in the manner, at the time or times and to the extent that such persons, in an exercise of reasonable discretion, deem suitable and proper, with or without court order, with due regard to the duty and ability of themselves or of any other person to support the minor, and with or without regard to any other funds, income or property which may be available for any such purpose. But such persons may not pay themselves except by way of reimbursement for out-of-pocket expenses for goods and services necessary for the minor's support. Any excess sums shall be preserved for future support of the minor and any balance not so used and any property received for the minor must be turned over to the minor when he attains 18 years of age. Persons who pay or deliver in accordance with provisions of this act are not responsible for the proper application thereof.

2. This act shall take effect immediately.

Approved January 23, 1981.

CHAPTER 4

AN ACT concerning loans made and interest rates charged by banking institutions and supplementing Title 17 of the Revised Statutes.

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

C. 17:13B-1 Short title.

1. This act shall be known as "The State Bank Parity Act".

C. 17:13B-2 Rate of interest; applicability of act.

2. Notwithstanding any provisions of R. S. 31:1–1 or any other statute to the contrary, any bank, savings bank, savings and loan association or credit union may charge a rate of interest on any class or type of loan at the rate of interest permitted to any other lender by the laws of this State on that class or type of loan. Nothing in this act shall authorize any lender to make any loan it is not authorized by law to make, nor shall anything in this act apply to loans secured by a first lien on real estate on which there is erected or to be erected a structure containing one, two, three, four, five, or six dwelling units, a portion of which structure may also be used for nonresidential purposes.

3. This act shall take effect immediately.

Approved January 23, 1981.

CHAPTER 5

AN ACT concerning annual audits of school district accounts and financial transactions and amending N. J. S. 18A:23–1.

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

1. N. J. S. 18A:23–1 is amended to read as follows:

Annual audit.

18A:23–1. The board of education of every school district shall cause an annual audit of the district's accounts and financial transactions to be made by a public school accountant employed by it, which audit shall be completed not later than 4 months after the end of the school fiscal year.

2. This act shall take effect immediately.

Approved January 23, 1981.

CHAPTER 6

AN ACT to validate certain proceedings of school districts and any bonds or other obligations issued or to be issued pursuant to such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district or at any school district election for the authorization or issuance of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued in pursuance of a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that said proposal did not expressly authorize the issuance of the bonds for the capital school purpose proposed to be undertaken therein; provided, however, that said proposal did specify the amount of money to be expended for said purpose; provided further, that no bonds of the school district shall be issued in pursuance of said proposal other than bonds entitled to the benefits of Additional State School Building Aid pursuant to P. L. 1978, c. 74 (C. 18A:58–33.22 to 18A:58–33.40) and not in excess of said amount of money; and provided further, that no action, suit or proceeding of any nature to contest the validity of such proceedings has heretofore been instituted prior to the date upon which this act takes effect and within the time fixed therefor by or pursuant to law or rule of court or when such time has not heretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved January 23, 1981.

CHAPTER 7

A SUPPLEMENT to the "Public Employees' Retirement System Act," approved June 28, 1954 (P. L. 1954, c. 84, C. 43:15A–1 et seq.), as said short title was amended by P. L. 1971, c. 213.

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

C. 43:15A-75.1 Purchase of prior service credit for certain public employees.

1. Any other law to the contrary notwithstanding, a member of the Public Employees' Retirement System who is in the service of a municipality and who, prior to entering such service was the holder of a position in the service of a county, or who is presently in the service of a county and who, prior to entering such service was the holder of a position in the service of another county, shall be entitled to purchase prior service credit for the years of such county service; but said county shall not be liable for any payment to the system by reason of the said member's purchase of benefits under this supplementary act and contributions required hereunder shall be made by the member. Proof of such prior county service shall be furnished by the affidavit of the member supported by other evidence if required by the board of trustees of said retirement system. The member may purchase credit for such prior county service by making payments to the system either in a lump sum or in regular monthly installments pursuant to such formulas, rules and regulations as may be promulgated by the Division of Pensions.

2. This act shall take effect immediately.

Approved January 26, 1981.

CHAPTER 8

AN ACT concerning tenant-landlord relations, amending P. L. 1974, c. 49, and P. L. 1975, c. 311.

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

1. Section 2 of P. L. 1974, c. 49 (C. 2A:18–61.1) is amended to read as follows:

C. 2A:18-61.1 Residential lessees and tenants; grounds for removal.

2. No lessee or tenant or the assigns, under-tenants or legal representatives of such lessee or tenant may be removed by the county district court or the Superior Court from any house, building, mobile home or land in a mobile home park or tenement leased for residential purposes, other than owner-occupied premises with not more than two rental units or a hotel, motel or other guest house or part thereof rented to a transient guest or seasonal

tenant, except upon establishment of one of the following grounds as good cause:

a. The person fails to pay rent due and owing under the lease whether the same be oral or written;

b. The person has continued to be, after written notice to cease, so disorderly as to destroy the peace and quiet of the occupants or other tenants living in said house or neighborhood;

c. The person has willfully or by reason of gross negligence caused or allowed destruction, damage or injury to the premises;

d. The person has continued, after written notice to cease, to substantially violate or breach any of the landlord's rules and regulations governing said premises, provided such rules and regulations are reasonable and have been accepted in writing by the tenant or made a part of the lease at the beginning of the lease term;

e. The person has continued, after written notice to cease, to substantially violate or breach any of the covenants or agreements contained in the lease for the premises where a right of reentry is reserved to the landlord in the lease for a violation of such covenant or agreement, provided that such covenant or agreement is reasonable and was contained in the lease at the beginning of the lease term;

f. The person has failed to pay rent after a valid notice to quit and notice of increase of said rent, provided the increase in rent is not unconscionable and complies with any and all other laws or municipal ordinances governing rent increases;

g. The landlord or owner (1) seeks to permanently board up or demolish the premises because he has been cited by local or State housing inspectors for substantial violations affecting the health and safety of tenants and it is economically unfeasible for the owner to eliminate the violations; (2) seeks to comply with local or State housing inspectors who have cited him for substantial violations affecting the health and safety of tenants and it is unfeasible to so comply without removing the tenant; simultaneously with service of notice of eviction pursuant to this clause, the landlord shall notify the Department of Community Affairs of the intention to institute proceedings and shall provide the department with such other information as it may require pursuant to rules and regulations. The department shall inform all parties and the court of its view with respect to the feasibility of compliance without removal of the tenant and may in its discretion appear and present evidence; (3) seeks to correct an illegal occupancy because he has been cited by local or State housing inspectors and it is un-

feasible to correct such illegal occupancy without removing the tenant; or (4) is a governmental agency which seeks to permanently retire the premises from the rental market pursuant to a redevelopment or land clearance plan in a blighted area. In those cases where the tenant is being removed for any reason specified in this subsection, no warrant for possession shall be issued until P. L. 1967, c. 79 (C. 52:31B–1 et seq.) and P. L. 1971, c. 362 (C. 20:4–1 et seq.) have been complied with;

h. The owner seeks to retire permanently the residential building or the mobile home park from residential use or use as a mobile home park, provided this paragraph shall not apply to circumstances covered under paragraph g. of this section;

i. The landlord or owner proposes, at the termination of a lease, reasonable changes of substance in the terms and conditions of the lease, including specifically any change in the term thereof, which the tenant, after written notice, refuses to accept;

j. The person, after written notice to cease, has habitually and without legal justification failed to pay rent which is due and owing;

k. The landlord or owner of the building or mobile home park is converting from the rental market to a condominium, cooperative or fee simple ownership of two or more dwelling units or park sites, except as hereinafter provided in subsection l. Where the tenant is being removed pursuant to this subsection, no warrant for possession shall be issued until this act has been complied with;

l. (1) The owner of a building or mobile home park, which is constructed as or being converted to a condominium, cooperative or fee simple ownership, seeks to evict a tenant or sublessee whose initial tenancy began after the master deed, agreement establishing the cooperative or subdivision plat was recorded, because the owner has contracted to sell the unit to a buyer who seeks to personally occupy it and the contract for sale calls for the unit to be vacant at the time of closing. However, no action shall be brought against a tenant under paragraph (1) of this subsection unless the tenant was given a statement in accordance with section 6 of this amendatory act;

(2) The owner of three or less condominium or cooperative units seeks to evict a tenant whose initial tenancy began by rental from an owner of three or less units after the master deed or agreement establishing the cooperative was recorded, because the owner seeks to personally occupy the unit, or has contracted to sell the unit to a buyer who seeks to personally occupy it and the contract for sale calls for the unit to be vacant at the time of closing;

(3) The owner of a building of three residential units or less seeks to personally occupy a unit, or has contracted to sell the residential unit to a buyer who wishes to personally occupy it and the contract for sale calls for the unit to be vacant at the time of closing;

m. The landlord or owner conditioned the tenancy upon and in consideration for the tenant's employment by the landlord or owner as superintendent, janitor or in some other capacity and such employment is being terminated.

2. Section 3 of P. L. 1974, c. 49 (C. 2A:18–61.2) is amended to read as follows:

C. 2A:18-61.2 Judgment of possession; written notice.

3. No judgment of possession shall be entered for any premises covered by section 2 of this act, except in the nonpayment of rent under paragraph a. or f. of section 2, unless the landlord has made written demand and given written notice for delivery of possession of the premises. The following notice shall be required:

a. For an action alleging disorderly conduct under paragraph b. of section 2, or injury to the premises under paragraph c. of section 2 or any grounds under paragraph m. of section 2, 3 days' notice prior to the institution of the action for possession;

b. For an action alleging continued violation of rules and regulations under paragraph d. of section 2, or substantial breach of covenant under paragraph e. of section 2, or habitual failure to pay rent, 1 month's notice prior to the institution of the action for possession;

c. For an action alleging any grounds under paragraph g. of section 2, 3 months' notice prior to the institution of the action;

d. For an action alleging permanent retirement under paragraph h. of section 2, 6 months' notice, in the case of a residential building and, in the case of a mobile home park, 18 months' notice prior to the institution of the action and, provided that, where there is a lease in effect, no action may be instituted until the lease expires;

e. For an action alleging refusal of acceptance of reasonable lease changes under paragraph i. of section 2, 1 month's notice prior to institution of action;

f. For an action alleging any grounds under paragraph l. of section 2, 2 months' notice prior to the institution of the action and, provided that where there is a written lease in effect no action shall be instituted until the lease expires;

g. For an action alleging any grounds under paragraph k. of section 2, 3 years' notice prior to the institution of action, and provided that where there is a written lease in effect, no action shall be instituted until the lease expires.

The notice in each of the foregoing instances shall specify in detail the cause of the termination of the tenancy and shall be served either personally upon the tenant or lessee or such person in possession by giving him a copy thereof, or by leaving a copy thereof at his usual place of abode with some member of his family above the age of 14 years, or by certified mail; if the certified letter is not claimed, notice shall be sent by regular mail.

3. Section 4 of P. L. 1975, c. 311 (C. 2A:18–61.7) is amended to read as follows:

C. 2A:18-61.7 Definitions.

4. As used in this act:

a. "Comparable housing or park site" means housing that is (1) decent, safe, sanitary, and in compliance with all local and State housing codes; (2) open to all persons regardless of race, creed, national origin, ancestry, marital status or sex; and (3) provided with facilities equivalent to that provided by the landlord in the dwelling unit or park site in which the tenant then resides in regard to each of the following: (a) apartment size including number of rooms or park site size, (b) rent range, (c) apartment's major kitchen and bathroom facilities, and (d) special facilities necessary for the handicapped or infirmed; (4) located in an area not less desirable than the area in which the tenant then resides in regard to each of the following: (a) accessibility to the tenant's place of employment, (b) accessibility of community and commercial facilities, and (c) environmental quality and conditions; and (5) in accordance with additional reasonable criteria which the tenant has requested in writing at the time of making any request under this act.

b. "Condominium" means a condominium as defined in the "Condominium Act," P. L. 1969, c. 257 (C. 46:8B–1 et seq.).

c. "Cooperative" means a housing corporation or association which entitles the holder of a share or membership interest thereof to possess and occupy for dwelling purposes a house, apartment or other structure owned or leased by said corporation or association, or to lease or purchase a dwelling constructed or to be constructed by said corporation or association.

d. "Mobile home park" means any park, including a trailer park or camp, equipped to handle mobile homes sited on a year-round basis.

4. Section 5 of P. L. 1975, c. 311 (C. 2A:18–61.8) is amended to read as follows:

C. 2A:18-61.8 Conversion of multiple dwelling into condominium or cooperative; notice to tenant; right of purchase.

5. Any owner who intends to convert a multiple dwelling as defined in P. L. 1967, c. 76 (C. 55:13A–1 et seq.), other than a hotel or motel, or a mobile home park into a condominium or cooperative, or to fee simple ownership of the several dwelling units or park sites shall give the tenants 60 days' notice of his intention to convert and the full plan of the conversion prior to serving notice, provided for in section 3 of P. L. 1974, c. 49 (C. 2A:18–61.2). A duplicate of the first such 60-day notice and full plan shall be transmitted to the clerk of the municipality at the same time. In the notice of intention to convert tenants shall be notified of their right to purchase ownership in the premises at a specified price in accordance with this section, and their other rights as tenants under this act in relation to the conversion of a building or park to a condominium, cooperative or fee simple ownership. A tenant in occupancy at the time of the notice of intention to convert shall have the exclusive right to purchase his unit, the shares of stock allocated thereto or the park site, as the case may be, for the first 90 days after such notice that such purchase could be made during which time the unit or site shall not be shown to a third party unless the tenant has in writing waived the right to purchase.

5. Section 6 of P. L. 1975, c. 311 (C. 2A:18–61.9) is amended to read as follows:

C. 2A:18-61.9 Statement to tenant.

6. Any owner who establishes with a person an initial tenancy after the master deed or agreement establishing the cooperative was recorded shall provide to such person at the time of applying for tenancy and at the time of establishing any rental agreement a separate written statement as follows:

"STATEMENT

THIS BUILDING (PARK) IS BEING CONVERTED TO OR IS A CONDOMINIUM OR COOPERATIVE (OR FEE SIMPLE OWNERSHIP OF THE SEVERAL DWELLING UNITS OR PARK SITES). YOUR TENANCY CAN BE TERMINATED

UPON 60 DAYS' NOTICE IF YOUR APARTMENT (PARK SITE) IS SOLD TO A BUYER WHO SEEKS TO PERSONALLY OCCUPY IT. IF YOU MOVE OUT AS A RESULT OF RECEIVING SUCH A NOTICE, AND THE LANDLORD ARBITRARILY FAILS TO COMPLETE THE SALE, THE LANDLORD SHALL BE LIABLE FOR TREBLE DAMAGES AND COURT COSTS."

The parenthesized words shall be omitted or substituted for preceding words where appropriate. Such statement shall also be reproduced as the first clause in any written lease provided to such person.

6. Section 8 of P. L. 1975, c. 311 (C. 2A:18–61.11) is amended to read as follows:

C. 2A:18-61.11 Offer for rental of comparable housing or park site; stay of eviction; alternative compensation.

8. Tenants receiving notice under section 3 g. of P. L. 1974, c. 49 may request of the landlord within 18 full months after receipt of such notice, and the landlord shall offer to the tenant, personally or through an agent, the rental of comparable housing or park site and a reasonable opportunity to examine and rent such comparable housing or park site. In any proceeding under subsection 2 k. of P. L. 1974, c. 49 instituted following the expiration of notice required under section 3 g. of P. L. 1974, c. 49, the owner shall prove that a tenant was offered such comparable housing or park site and provided such reasonable opportunity to examine and rent such housing or park site as requested pursuant to this section. The court shall authorize 1-year stays of eviction with reasonable rent increases until such time as the court is satisfied that the tenant has been offered comparable housing or park site and provided a reasonable opportunity to examine and rent such housing or park site as requested pursuant to this section. However, in no case shall more than five such stays be granted.

The court shall automatically renew any 1-year stay of eviction in any case where the landlord failed to allege to the court within 1 year of a prior stay that the tenant was offered a reasonable opportunity to examine and rent comparable housing or park site within such prior year.

However the court shall not authorize any further stays at any time after one such stay has been authorized when the owner has also provided a tenant with hardship relocation compensation of waiver of payment of 5 months' rent.

7. Section 9 of P. L. 1975, c. 311 (C. 2A:18–61.12) is amended to read as follows:

C. 2A:18-61.12 Rules and regulations.

9. In accordance with the "Administrative Procedure Act" (P. L. 1968, c. 410, C. 52:14B–1 et seq.), the Department of Community Affairs shall adopt rules and regulations setting forth procedures required to be followed by landlords in providing tenants a reasonable opportunity to examine and rent comparable housing and setting forth procedures and content for information required to be disclosed to tenants regarding such procedures, the rights and responsibilities of tenants under this act, and the plans and proposals of landlords which may affect any tenant in order to maximize tenants' ability to exercise rights provided under this act. Any rules and regulations adopted under this section shall only be applicable to tenants and owners of a building or mobile home park which is being, or is about to be converted from the rental market to a condominium, cooperative or to fee simple ownership of the several dwelling units or park sites, or to any mobile home park being permanently retired from the rental market.

8. The period of any notice given prior to the date of this act by a mobile home park owner to a mobile home owner shall be computed in the determination of the 18 month period of notice required under subsection d. of section 3 of P. L. 1974, c. 49. However, the portion of a judicial stay of eviction authorized prior to the date of this act shall be calculated against the 18 month notice period and shall be considered to be advance notice.

9. This act shall take effect immediately.

Approved January 26, 1981.

CHAPTER 9

AN ACT concerning the taxation of mobile homes and repealing P. L. 1979, c. 366.

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

1. a. Any mobile home assessed and taxed as real property prior to and on March 20, 1979 for which no appeal has been taken on the

imposition of a real property tax as of said date, shall be assessed and taxed as real property. Any mobile home that was not assessed and taxed as real property prior to and on March 20, 1979 shall not be assessed and taxed as real property until October 1, 1981 for the tax year 1982.

b. Any mobile home acquired after March 20, 1979 shall be assessed and taxed as real property; except that any mobile home located after said date in any mobile home park in which mobile homes were not assessed and taxed as real property prior to March 20, 1979, shall not be assessed and taxed as real property until October 1, 1981 for the tax year 1982.

c. During the period of the moratorium and for the tax years 1978, 1979, 1980 and 1981, no mobile home subject to the moratorium shall be assessed as an added or omitted assessment and taxed as real property.

2. a. Except as otherwise provided in subsection b. of this section, a sales tax pursuant to subsection (v) of section 2 of P. L. 1966, c. 30 (C. 54:32B–2 (v)) on any mobile home sale made on or after March 20, 1979, shall remain in effect and be enforced as heretofore until December 31, 1981.

b. Any sale of a mobile home assessed and taxable as real property pursuant to section 1 of this act shall not be subject to the sales tax, except in the case of the sale of a new or previously unused mobile home which shall be subject to the sales tax only to the extent of the taxation of the sale of tangible personal property for building construction pursuant to subsection (e) (2) (A) of section 2 of P. L. 1966, c. 30 (C. 54:32B–2 (e) (2) (A)).

Repealer.

3. P. L. 1979, c. 366 (C. 54:4C–1 et seq.) is repealed.

4. This act shall take effect immediately.

Approved January 26, 1981.

CHAPTER 10

AN ACT concerning the release of water from Spruce Run reservoir into the south branch of the Raritan river and amending P. L. 1958, c. 34.

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

1. Section 8 of P. L. 1958, c. 34 (C. 58:22–8) is amended to read as follows:

C. 58:22-8 Release of water from Spruce Run reservoir; alteration of passing flow requirements.

8 a. Whenever the flow of water in the south branch of the Raritan river is less than 40 million gallons daily at the United States Geological Survey stream gauging station at Stanton, or less than 70 million gallons daily at the United States Geological Survey stream gauging station at Manville, or less than 90 million gallons daily at the United States Geological Survey stream gauging station at Bound Brook, a sufficient amount of water shall be released from the Spruce Run reservoir or from such other reservoir or reservoirs as may be constructed on the south branch of the Raritan river or its tributaries and, if necessary, from the Round Valley reservoir in such amounts as will maintain not less than the said flows of 40 million gallons daily at Stanton and 70 million gallons daily at Manville and 90 million gallons daily at Bound Brook, and such released water shall be returned to the south branch of the Raritan river at the point of diversion or pumping into any such reservoir or at some point upstream thereof.

b. The commissioner is authorized to alter these passing flow requirements during a drought emergency, declared pursuant to executive order, in which danger to the public health, safety or welfare is imminent.

2. This act shall take effect immediately.

Approved January 27, 1981.

CHAPTER 11

AN ACT authorizing the sale of surplus real property owned by the Department of Human Services.

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

1. The Department of Human Services is authorized to sell and convey all of the State's interest in 1.2 acres of surplus real property in the town of Morristown, Morris county. The property,

known as 9 Cutler street, is designated as Block 387, Lot 17 and 17A on the Morristown tax map.

2. The sale shall be upon terms and conditions as approved by the State House Commission.

3. This act shall take effect immediately.

Approved January 30, 1981.

CHAPTER 12

AN ACT to repeal section 16 of the "Medical Malpractice Liability Insurance Act," approved January 30, 1976 (P. L. 1975, c. 301).

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

Repealer.

1. Section 16 of P. L. 1975, c. 301 (C. 17:30D–16) is repealed.

2. This act shall take effect immediately.

Approved January 30, 1981.

CHAPTER 13

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. The following sums are appropriated out of the General Fund for the following purposes:

DEPARTMENT OF CORRECTIONS

19 Central Planning, Direction and Management

99–7000 Management and Administrative Services $1,710,000

Special Purpose:
For transfer to various correctional institutions to fund overtime costs ..... ($1,500,000)
For transfer to various correctional institutions to fund medical services ... ($ 210,000)

DEPARTMENT OF HUMAN SERVICES
23 Mental Health Services
7700 Division of Mental Health and Hospitals

08–7700 Community Services	$ 500,000
Salaries and Wages ($ 500,000)	
7710 Greystone Park Psychiatric Hospital	
10–7710 Inpatient Care and Health Services	$2,000,000
Salaries and Wages ($2,000,000)	
7720 Trenton Psychiatric Hospital	
10–7720 Inpatient Care and Health Services	$1,400,000
Salaries and Wages ($1,400,000)	
7730 Marlboro Psychiatric Hospital	
10–7730 Inpatient Care and Health Services	$1,400,000
Salaries and Wages ($1,400,000)	
7740 Ancora Psychiatric Hospital	
10-7740 Inpatient Care and Health Services	$ 400,000
Salaries and Wages ($ 400,000)	
Total Appropriation — Department of Human Services	$5,700,000

LEGISLATIVE BRANCH
Legislative Commissions
0040 Apportionment Commission

09-0040 Apportionment Commission	
Special Purpose:	
Expenses of the Commission	$200,000

Each co-chairman of the Apportionment Commission is empowered to authorize the expenditure of up to one-third of the total appropriation to the commission and to contract, for legal and other staff services, data-processing services and equipment, administrative services, or any related expenses of the commission.

Both co-chairmen are empowered to jointly authorize the expenditure of up to one-third of the total appropriation to the commission, and to contract, for legal services, secretarial services, stenographic services, or other administrative expenses of the commission.

Total Appropriation, Direct State Services $7,610,000

24 Special Health Services

7540 Division of Medical Assistance and Health Services

The Director of the Division of Budget and Accounting is empowered to reduce appropriations to the various departments of State Government in order to transfer the amount of such reductions to the Division of Medical Assistance for payments for medical assistance recipients.

2. This act shall take effect immediately.

Approved January 30, 1981.

CHAPTER 14

AN ACT concerning county and municipal budgets.

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

1. Notwithstanding the provisions of any law to the contrary, the dates concerning the introduction and approval and adoption of local budgets for the year 1981 shall be as follows:

a. The governing body shall introduce and approve the annual budget:

(1) In the case of a county, not later than March 5 of the fiscal year; and,

(2) In the case of a municipality, not later than March 19 of the fiscal year.

b. The budget shall be adopted in the case of a county not later than April 2, and in the case of a municipality not later than April 27 of the fiscal year, except that the governing body may adopt the budget at any time within 10 days after the Director of the Division of Local Government Services in the Department of Community Affairs has certified his approval thereof and returned the same, if the certification is later than the date of the advertised hearing.

2. Notwithstanding the provisions of any law to the contrary, the dates concerning budget transmission to the county board of taxation, county board advisement to the director of the failure to receive a budget, and the filling out of the table of aggregates for late budgets for the year 1981 shall be as follows:

a. The clerk of the local unit shall transmit a certified copy of the budget, as adopted, to the county board not later than May 11 of the fiscal year.

b. Where the county board has not received a copy of the budget resolution or other evidence showing the amount to be raised by taxation for the purposes of a taxing district not later than May 11 of the fiscal year, the board shall immediately notify the director.

c. Immediately upon receipt of the director's certificate and on or before May 18 of the fiscal year, the county board shall fill out the table of aggregates required by R. S. 54:4–52 and shall determine the amount of "other local taxes" for the year based upon the certificate of the director.

If the local unit has adopted a budget for the fiscal year and has transmitted a certified copy thereof to the county board on or before May 18, the board may substitute the adopted budget in the place of the amount certified by the director, but no substitution shall be made after May 18 of the fiscal year.

3. Notwithstanding the provisions of any law to the contrary, the dates concerning the preparation of the table of aggregates for the year 1981 shall be extended from May 3 to May 19.

4. The governing body may and, if any contracts, commitments or payments are to be made prior to the adoption of the 1981 budget, shall, by resolution adopted prior to March 1, 1981, make appropriations, in addition to any temporary appropriations made pursuant to N. J. S. 40A:4–19, to provide for the period between February 25, in the case of a county, or March 20, in the case of a

municipality, and the adoption of the 1981 budget. The total of the appropriations so made shall not exceed 1/12 of the total of the appropriations made for all purposes in the budget for the 1980 fiscal year excluding, in both instances, appropriations made for interest and debt redemption charges, capital improvement fund and public assistance.

5. Notwithstanding the provisions of P. L. 1979, c. 268 (C. 40A:4–45.3a) to the contrary, any referendum conducted during the 1981 fiscal year by a municipality pursuant to subsection i of section 3 of P. L. 1976, c. 68 (C. 40A:4–45.3i), for the purpose of requesting approval for increasing the municipal budget by more than 5% over the previous year's final appropriations, shall be held on Tuesday, February 24 or Tuesday, March 31, 1981 as the governing body shall determine. The municipal budget proposing the increase shall be introduced and approved in the manner otherwise provided in N. J. S. 40A:4–5 at least 20 days prior to the date on which the referendum is to be held, and shall be published in the manner otherwise provided in N. J. S. 40A:4–6 at least 12 days prior to the referendum date.

6. Notwithstanding the provisions of N. J. S. 40A:4–27 or of any other law to the contrary, any local unit may anticipate as a miscellaneous revenue in its 1981 budget the total amount of all payments due and payable to the local unit during the fiscal year, directly or indirectly as a result of the sale of property by the local unit, when the obligation to make payment is entered into prior to March 19, 1981.

7. (New section) Notwithstanding the provisions of section 3–16 of P. L. 1950, c. 210 (C. 40:69A–46), the mayor shall submit to the council his recommended 1981 budget on or before February 20.

8. (New section) Notwithstanding the provisions of section 9–17 of P. L. 1950, c. 210 (C. 40:69A–97), the municipal manager shall submit to the council his recommended 1981 budget on or before February 20.

9. This act shall take effect immediately, shall be retroactive to January 1, 1981, and shall expire December 31, 1981.

Approved February 2, 1981.

CHAPTER 15

AN ACT concerning the civil service status of certain county employees and supplementing Title 11 of the Revised Statutes.

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

1. Every employee in the government of any county of the second class having adopted the provisions of the council-manager plan of the "Optional County Charter Law," P. L. 1972, c. 154 (C. 40:41A–45 through 40:41A–58) who was an employee of the county park commission of that county prior to the effective date of this act, and every employee in the superseding department of that county appointed prior to April 30, 1979 who performs the same or similar duties as said former county park commission employee, shall be recorded, after passing a qualifying examination, as having been permanently appointed thereto as of the date of his original appointment by the commission or county and shall be under and subject to all provisions of Title 11 of the Revised Statutes relating to the classified service of the civil service.

2. Section 1 of this act shall not apply to former officers of the county park commission in counties of the second class appointed prior to April 30, 1979, who are presently subject to the county manager form of government of the "Optional County Charter Law," and who shall be subject to the provisions contained in P. L. 1972, c. 154, s. 51 (C. 40:41A–51).

3. Every county park commission police officer or county policeman appointed or employed by a county park commission in a county of the second class having adopted the provisions of the council-manager plan of the "Optional County Charter Law," P. L. 1972, c. 154 (C. 40:41A–45 through 40:41A–58), or by that county, subsequent to July 1, 1978 and prior to the effective date of this act, shall be recorded after passing a qualifying examination as having been permanently appointed thereto as of the date of his original appointment by the commission or county and shall be under and subject to all provisions of Title 11 of the Revised Statutes relating to the classified service of the civil service.

4. This act shall take effect immediately.

Approved February 3, 1981.

CHAPTER 16

AN ACT concerning municipal water utilities, amending R. S. 40:62–3 and supplementing chapter 62 of Title 40 of the Revised Statutes.

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

1. R. S. 40:62–3 is amended to read as follows:

Sale or lease by municipality; ordinance.

40:62–3. Any municipality owning a sewer plant, water plant, heat, light or power plant, system of transportation, or other public utility plant or system, may lease or sell such plant or system. Such a lease or sale to another municipality, a sanitary sewerage authority, a sewerage authority or any other authority, commission or public body shall be authorized by ordinance and may be made upon such terms as said ordinance shall provide and the provisions of R. S. 40:62–4 and R. S. 40:62–5 shall not apply thereto. Such a lease or sale to any person except another municipality, a sanitary sewerage authority, a sewerage authority or any other authority, commission or public body shall, except as otherwise provided by law, be made only upon compliance with the provisions of R. S. 40:62–4 and R. S. 40:62–5 and after the same is authorized by the legal voters of the municipality in accordance with said sections.

C. 40:62-3.1 Authorization to transfer; review by board.

2. (New section) If the governing body of any municipality shall deem it advisable in the interests of public health and safety to transfer a municipal water utility system serving less than 5% of the population of that municipality, to any person or another municipality or any authority, commission or other public body, the transfer shall be authorized by ordinance and may be made upon such terms as the ordinance shall provide, and the provisions of R. S. 40:62–4 and R. S. 40:62–5 shall not apply thereto. The terms of such sale and the ordinance authorizing same shall be subject to review by the Board of Public Utilities and shall provide that the purchaser shall have the privilege to operate the system within the area of the municipality covered.

3. This act shall take effect immediately.

Approved February 3, 1981.

CHAPTER 17

AN ACT to validate certain proceedings for the issuance of bonds of school districts and any bonds or other obligations issued or to be issued in pursuance of such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district at any school district election for the authorization or issuance of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued pursuant to a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that the notice of special election was not published in full as required by the provisions of N. J. S. 18A:14–19; provided, that a sample ballot was sent to each registered voter in the school district prior to the election and provided, however, that no action, suit or other proceeding of any nature to contest the validity of such election has heretofore been instituted prior to the date on which this act takes effect and within the time fixed therefor by or pursuant to law or rule of court or, when such time has not theretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved February 3, 1981.

CHAPTER 18

AN ACT providing for the regulation and licensing of mortgage bankers and mortgage brokers by the Commissioner of Banking, defining the powers and duties of the commissioner in connection therewith, and prescribing penalties for violations thereof and making an appropriation therefor.

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

C. 17:11B-1 Definitions.

1. As used in this act:

a. "Mortgage loan" means any loan secured by a first mortgage on real property on a one to six family dwelling, a portion of which may be used for nonresidential purposes.

b. "Primary market" means the market wherein mortgage loans are originated between a lender and a borrower, whether or not through a mortgage broker or other conduit.

c. "Mortgage banker" means any person not exempt under section 2 of this act, who for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly originates, acquires or negotiates mortgage loans in the primary market.

d. "Mortgage broker" means any person not exempt under section 2 of this act, who for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly negotiates, places or sells for others, or offers to negotiate, place or sell for others a mortgage loan in the primary market.

e. "Mortgage solicitor" means any person not licensed as a mortgage banker or mortgage broker, who performs any of the functions under subsection c. or d. of this section and who is employed by a mortgage banker or mortgage broker.

f. "Department" means the Department of Banking.

g. "Commissioner" means the Commissioner of Banking.

h. "Licensee" means a mortgage banker or mortgage broker licensed under any of the provisions of this act.

i. "License" means a license issued under the provisions of this act.

C. 17:11B-2 Applicability of act.

2. The requirements of this act shall not apply to:

a. Savings and loan associations, commercial banks, savings banks, insurance companies and credit unions; but subsidiaries and service corporations of these institutions shall not be exempt and shall be subject to the provisions of this act.

b. A person making, acquiring or selling mortgage loans for private investment or gain and not in the regular course of business.

c. An attorney at law of this State, not actively and principally engaged in the business of a mortgage banker or broker, when the attorney renders services in the course of his practice.

d. A person licensed as a real estate broker or salesman pursuant to chapter 15 of Title 45 of the Revised Statutes, and not engaged

in the business of a mortgage banker or broker. Any person holding a license under this act as a mortgage banker or mortgage broker shall be exempt from the licensing and other requirements of R. S. 45:15–1 et seq. in the performance of those functions authorized pursuant to this act.

e. Builders who secure mortgages for their own construction or for sale of their own construction.

C. 17:11B-3 License requirement.

3. a. No person shall act as a mortgage banker or mortgage broker without a license therefor as provided in this act, but a person licensed as a mortgage banker may act as a mortgage broker or mortgage solicitor and a person licensed as a mortgage broker may act as a mortgage solicitor.

b. No corporation, partnership, association or any other entity shall be issued or hold a license unless one officer of the corporation, or one principal of any other entity has a license of the same type sought or held.

C. 17:11B-4 Issuance of license; conditions.

4. The commissioner shall issue any license under this act if the following conditions are met:

a. A written application shall be accompanied by the required fees, for a new license or for a renewal thereof and shall be made on the forms and in the manner and accompanied by such evidence in support of the application as may be prescribed by the commissioner.

b. An applicant shall qualify by examination approved by the commissioner, which examination may be written or oral or partly written and partly oral, and shall include a general knowledge of the statutes of this State concerning real property, conveyancing, mortgages, and agreements of sale, and of the provisions thereof. The commissioner may designate an independent testing service to prepare and administer the examinations.

c. If the commissioner finds that the financial responsibility, experience, character, and general fitness of the applicant are such as to justify the belief that the business will be operated honestly, fairly, and efficiently within the purpose of this act.

d. An application for a mortgage broker's or mortgage banker's license shall include suitable evidence that the requirements of section 8 of this act have been met.

e. The examination requirements of this section may be waived by the commissioner for any person applying for a mortgage

banker's or mortgage broker's license who can demonstrate to the satisfaction of the commissioner that he has for a period of at least 5 years prior to the effective date of this act, been principally engaged in the business of mortgage banker, or mortgage broker in this State and who submits a written request to the commissioner for his approval. The commissioner may waive examination requirements for a mortgage banker's or mortgage broker's license for any person who has, prior to the effective date of this act, been in business for less than 5 years and who can demonstrate to the commissioner that he is otherwise qualified for a license without the need for an examination.

C. 17:11B-5 License fee.

5. The license fee for each mortgage banker's or mortgage broker's license for a 2-year period or any part thereof ending the second June 30 from date of issuance, shall be prescribed by rule or regulation of the commissioner, not to exceed $1,000.00. Such license shall run from the date of issuance to the end of the biennial year. When the initial license is issued in the second year of the biennial licensing period, the license fee shall not exceed $500.00.

C. 17:11B-6 Expiration of license.

6. Each license issued pursuant to this act shall expire on the second June 30 following the date on which it becomes effective. Licenses shall not be transferable or assignable.

C. 17:11B-7 Place of business.

7. A licensed mortgage banker or mortgage broker shall have and maintain a place of business in the State for the transaction of business. A license shall specify the address of the place of business of the mortgage banker or mortgage broker and shall be conspicuously displayed therein. If a mortgage banker or mortgage broker maintains a branch office or offices, one of the offices will be designated as the principal office and the department shall, upon application and the payment of a fee of $250.00, and if the application for the branch office demonstrates that the office is in a suitable location; includes the name and license number of the mortgage banker or mortgage broker in charge; and contains a certification that the office is covered by the bond required by this act, issue a branch office license specifying thereon the address of each branch office, which license shall be conspicuously displayed therein. A mortgage banking and mortgage brokerage office or branch thereof shall be operated under the full control and supervision of an individual licensed under this act and employed at the office or branch

on a regular and full-time basis to supervise and perform mortgage banking and mortgage brokerage services. No such individual may be in charge of more than one office. In case the address of the principal place of business or of any branch office is changed, the commissioner shall endorse the change of address on the license.

C. 17:11B-8 Bond; amount.

8. A licensed mortgage banker and mortgage broker, prior to doing business, shall obtain a bond in an amount and form prescribed by regulations of the commissioner but not less than $25,000.00. The bond shall be obtained from a surety company authorized by law to do business in this State. In lieu of individual bonds, a mortgage banker or mortgage broker may procure a blanket bond to cover all employees licensed under the provisions of this act in an amount as prescribed by regulation of the commissioner. The bond shall run to the State for the benefit of any person injured by the wrongful act, default, fraud or misrepresentation of the mortgage banker, broker or solicitors. No bond shall comply with the requirements of this section unless the bond contains a provision that it shall not be cancelled for any cause unless notice of intention to cancel is filed in the Department of Banking at least 30 days before the day upon which cancellation shall take effect.

C. 17:11B-9 Refusal to issue or revocation of license; grounds.

9. a. The commissioner may refuse to issue and may revoke, suspend or refuse to renew a license or impose a penalty pursuant to this act if he finds, after notice and an opportunity for a hearing in accordance with the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.) and any rules adopted thereunder, that any person, applicant for or holder of the license has:

(1) Violated any of the provisions of this act or any order, rule or regulation made or issued pursuant to this act;

(2) Withheld information or made a material misstatement in the application for the license;

(3) Been convicted of an offense involving breach of trust, moral turpitude or fraudulent or dishonest dealing, or had a final judgment entered against him in a civil action upon grounds of fraud, misrepresentation or deceit;

(4) Become insolvent or bankrupt, or had filed a petition in an insolvency or bankruptcy proceedings; or

(5) Demonstrated unworthiness, incompetence, bad faith or dishonesty in the transacting of business as a mortgage banker or mortgage broker.

(6) Engaged in any other conduct which would be deemed by the commissioner to be the cause for denial of a license.

b. A license of a corporation, partnership, association or other entity may be suspended or revoked if any officer, director or member of the licensee has committed any act which would be cause for suspending or revoking a license to him as an individual.

If the license issued to any member of a partnership, or to any officer of an association or corporation is revoked or suspended, the license issued to the partnership, association or corporation shall be revoked by the commissioner, unless within the time fixed by the commissioner, in the case of a partnership, the connection therewith of the member whose license has been revoked shall be severed and his interest in the partnership and his share in its activities brought to an end, or in the case of an association or corporation, the offending officer or director shall be discharged and shall have no further participation in its activity. Officers and directors of the corporation shall be required to fully divest themselves of all stock, bonds or other corporate holdings.

C. 17:11B-10 Records; maintenance.

10. a. Every licensed mortgage banker and mortgage broker shall maintain, at the place of business designated in the license certificate, such books, accounts, records and documents of the business conducted under the license as may be prescribed by the commissioner to enable him to determine whether the business of the licensee is being conducted in accordance with the provisions of this act and the orders, rules and regulations issued hereunder.

b. A licensee operating two or more licensed places of business in this State may maintain the general control records of all licensed places at any one of the licensed places. Upon appropriate notice to the commissioner and if a change in location of records is made, the commissioner shall be notified in writing of the change within 5 business days of the change.

c. Every licensee shall preserve all books, accounts, records and documents pertaining to his business, and keep them available for examination by the commissioner for at least 5 years from date of original entry.

C. 17:11B-11 Investigations and examinations.

11. The commissioner may make such investigations and examinations of any licensee or other person as he deems necessary to determine compliance with this act and the orders, rules and regulations issued hereunder. For such purposes, he may examine the

books, accounts, records and other documents or matters of any licensee or other person. He shall have the power to compel by subpena the production of all relevant books, records and other documents and materials relative to an examination or investigation. Examinations shall not be made more often than once during any 18-month period unless the commissioner has reason to believe the licensee is not complying with the provisions of this act or the orders, rules and regulations issued hereunder. Examinations conducted under the provisions of this act shall be confidential except as required in the administration, enforcement and prosecution of violations under this act or pursuant to a court order. The cost of the investigations and examinations shall be borne by the licensee.

C. 17:11B-12 Powers of commissioner.

12. a. The commissioner or his designee shall have power to issue subpenas to compel the attendance of witnesses and the production of documents, papers, books, records and other evidence before him in any matter over which he has jurisdiction under this act, and to administer oaths and affirmations to any person.

b. If any person shall refuse to obey a subpena, or to give testimony or to produce evidence as required thereby, the commissioner may apply ex parte to any court having jurisdiction over that person for an order compelling the appearance of the witness before the commissioner to give testimony or to produce evidence as required thereby, or both.

C. 17:11B-13 Rules and regulations; fees; guidelines.

13. a. The commissioner may issue and promulgate such rules and regulations, in accordance with the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), as he may deem necessary in the implementation and enforcement of this act, and such rules and regulations shall have the effect of law.

b. Notwithstanding the provisions of any other law and except as otherwise provided by law, a mortgage banker or broker shall, incidental to the origination, processing and closing of a mortgage loan transaction, have the right to charge only the following fees: credit report fee; appraisal fee; application fee; commitment fee; warehouse fee; and fees necessary to reimburse the mortgage banker or broker for charges imposed by third parties. For the purposes of this act, a warehouse fee is deemed to be a fee charged to compensate a mortgage banker or broker for the costs associated with holding the mortgage loan pending its sale to a permanent investor. The commissioner shall, by rules and regulations, have the

authority to establish guidelines to determine the reasonableness of such fees. In establishing guidelines concerning warehouse fees the commissioner shall consider the coupon rate of the mortgage loan, the prime lending rate, and the length of time the mortgage loan can reasonably be expected to be held for sale. Notwithstanding the provisions of this subsection, and subject to the passage of a State law overriding the provisions of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P. L. 96-221), a mortgage banker or mortgage broker may charge, and nothing in this act or any regulations promulgated thereto shall be deemed to limit the right of a mortgage banker or mortgage broker to charge, discount points.

c. No mortgage banker or broker may charge any fee not expressly otherwise authorized by this section or specifically otherwise authorized by law.

d. The provisions of this section and regulations pursuant thereto shall apply to all loans, including those loans insured or guaranteed by any agency of the Federal Government unless such provisions or regulations are in conflict with any applicable Federal law or regulation.

C. 17:11B-14 Prohibited acts.

14. a. No person or licensee shall advertise, print, display, publish, distribute, telecast or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, televised or broadcast, in any manner, any statement or representation with regard to the rates, terms or conditions pertaining to the making, negotiating, or sale of loans, which is false, misleading or deceptive. No person who is not licensed under this act or not exempt under section 3 of this act shall use the word "mortgage" or similar words in any advertising, signs, letterheads, cards, or like matter which tend to represent that he arranges real estate mortgage loans. No person licensed under this act shall be granted a license in a name containing such words such as "insured," "bonded," "guaranteed," "secured" and the like.

b. No person or licensee shall, in connection with or incidental to the making of a mortgage loan, require or permit the mortgage instrument or bond or note to be signed by a party to the transaction if the instrument contains any blank spaces to be filled in after it has been signed, except blank spaces relating to recording.

c. No person or licensee shall charge or exact directly or indirectly from the mortgagor or any other person fees, commissions

or charges determined to be excessive in accordance with subsection b. of section 13 of this act.

d. No person not licensed or not exempt from licensure under this act shall receive any commission, bonus or fee in connection with arranging or originating a mortgage loan for a borrower, except that a mortgage solicitor can receive such commission, bonus, or fee from his employer.

e. No person or licensee shall pay any commission, bonus or fee to any person not licensed or not exempt under the provisions of this act in connection with arranging for or originating a mortgage loan for a borrower except that a mortgage solicitor may be paid such bonus, commission, or fee by his employer.

f. No person shall obtain or attempt to obtain a license by fraud or misrepresentation.

g. No person or licensee shall misrepresent, circumvent, or conceal the nature of any material particular of any transaction to which he is a party.

h. No person or licensee shall fail to disburse funds in accordance with his agreements, unless otherwise ordered by the commissioner or a court of this State or of the United States.

i. No person or licensee shall fail without good cause to account or deliver to any person any personal property, money, fund, deposit, check, draft, mortgage, document or thing of value, which is not his property, or which he is not in law or equity entitled to retain under the circumstances, at the time which has been agreed upon, or is required by law or, in the absence of a fixed time, upon demand of the person entitled to such accounting and delivery.

j. No person or licensee shall fail to place in escrow, immediately upon receipt, any money, fund, deposit, check or draft entrusted to him by any person dealing with him as a mortgage banker or mortgage broker, in a manner approved by the commissioner, or to deposit the funds in a trust or escrow account maintained by him with a financial institution the deposits of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, wherein the funds shall be kept until the disbursement thereof is properly authorized.

k. No person licensed under this act shall change the address of his place of business without notice to the commissioner.

C. 17:11B-15 Engagement in prohibited acts; summary action.

15. If the commissioner has reason to believe that any person or licensee has engaged, is engaged, or is about to engage in any practice or transaction prohibited by this act, the commissioner

may, in addition to any other remedies he may have, bring a summary action in the name and on behalf of the State against the person or licensee and any other person concerned or in any way participating in or about to participate in such fraudulent practices or actions in violation of this act, to enjoin the person or licensee from continuing the fraudulent practices or engaging therein or doing any act in furtherance thereof or in violation of this act.

C. 17:11B-16 Validity or enforceability of mortgage loan.

16. Failure to comply with the provisions of this act shall not affect the validity or enforceability of any mortgage loan, and no person acquiring a mortgage loan, as mortgagee or assignee, shall be required to ascertain whether or not the provisions of this act have been complied with.

C. 17:11B-17 Violation of act; penalty.

17. Any person or licensee who engages in any conduct or practice prohibited by this act may be liable to a penalty not exceeding $5,000.00, to be recovered in a summary proceeding under the "penalty enforcement law" (N. J. S. 2A:58–1 et seq.). In addition, willful violations of this act shall be considered a crime of the third degree, punishable as specified in N. J. S. 2C:43–3 and N. J. S. 2C:43–6. Each violation shall constitute a separate offense, and the penalty under this section shall be in addition to any suspension or revocation of license under section 9 of this act.

C. 17:11B-18 Waiver of provisions unenforceable.

18. Any agreement to waive any provision of this act shall be unenforceable and void.

C. 17:11B-19 Compliance.

19. A person presently engaged in the business of a mortgage banker, mortgage broker or mortgage solicitor shall comply with the provisions of this act within 1 year of the effective date of this act.

20. There is appropriated to the Department of Banking, for the purpose of administering this act, the sum of $100,000.00. In addition thereto, all fees and revenue received pursuant to this act from the effective date of this act until June 30, 1982, shall be appropriated thereto.

C. 17:11B-20 Partial invalidity.

21. If any provisions of this act or the application thereof to any person or circumstance is held unconstitutional, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

22. This act shall take effect July 1 following its enactment, but section 20 of this act shall take effect immediately. The commissioner may by regulation postpone the operative date of sections 3 and 8 of this act for a period of not more than 1 year.

Approved February 4, 1981.

CHAPTER 19

AN ACT concerning the appointment of firemen and amending N. J. S. 40A:14–9.

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

1. N. J. S. 40A:14–9 is amended to read as follows:

Qualifications for appointment.

40A:14–9. Except as otherwise provided by law, no person shall be appointed as a member of the paid or as a paid member of a part-paid fire department and force, unless he:

(1) is a citizen of the United States;

(2) is sound in body and of good health sufficient to satisfy the board of trustees of the police and firemen's retirement system of New Jersey as to his eligibility for membership in the retirement system;

(3) has a high school diploma or an equivalency certificate and is able to read, write and speak the English language well and intelligently;

(4) is of good moral character; and

(5) has not been convicted of any criminal offense involving moral turpitude.

The appointing body, officer or officers of the municipality when authorized so to do, may employ such officers and other personnel for said paid or part-paid fire department and force as temporary employees in emergencies, or for certain specified parts of the year, as needed.

Except as otherwise provided by law, any permanent paid member or officer of such paid or part-paid fire department and force, who is absent from duty without just cause or leave of absence, for a continuous period of 5 days, shall cease to be a member of such paid or part-paid fire department.

2. This act shall take effect immediately.

Approved February 6, 1981.

CHAPTER 20

AN ACT concerning parking in spaces designated for the vehicles of the physically handicapped and amending R. S. 39:4–138.

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

1. R. S. 39:4–138 is amended to read as follows:

Places where parking not allowed.

39:4–138. Except when necessary to avoid conflict with other traffic or in compliance with the directions of a traffic or police officer or traffic sign or signal, no operator of a vehicle shall stand or park the vehicle in any of the following places:

a. Within an intersection;

b. On a crosswalk;

c. Between a safety zone and the adjacent curb or within at least 20 feet of a point on the curb immediately opposite the end of a safety zone;

d. In front of a public or private driveway;

e. Within 25 feet of the nearest crosswalk or side line of a street or intersecting highway, except at alleys;

f. On a sidewalk;

g. In any appropriately marked "No Parking" space established pursuant to the duly promulgated regulations of the Commissioner of Transportation;

h. Within 50 feet of a "stop" sign;

i. Within 10 feet of a fire hydrant;

j. Within 50 feet of the nearest rail of a railroad crossing;

k. Within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance, when properly signposted;

l. Alongside or opposite any street excavation or obstruction when stopping, standing, or parking would obstruct traffic, when properly signposted;

m. On the roadway side of any vehicle stopped or parked at the edge or curb of a street;

n. Upon any bridge or other elevated structure upon a highway, or within a highway tunnel or underpass, or on the immediate approaches thereto except where space for parking is provided;

o. In any space appropriately marked for vehicles for the physically handicapped pursuant to P. L. 1977, c. 202 (C. 39:4–197.5) unless the vehicle is authorized by law to be parked therein. Any owner or possessor of private property may request and receive enforcement of this provision as to spaces on his property which are designated and marked according to law.

No person shall move a vehicle not lawfully under his control into any such prohibited area or away from a curb such distance as is unlawful.

2. This act shall take effect immediately.

Approved February 6, 1981.

CHAPTER 21

AN ACT concerning appointment of certain members of the State Law Enforcement Planning Agency and amending P. L. 1978, c. 176.

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

1. Section 3 of P. L. 1978, c. 176 (C. 52:17B–144) is amended to read as follows:

C. 52:17B-144 Governing board; membership; appointment terms; vacancies; compensation.

3. The agency shall be responsible to a Governing Board which shall consist of the Attorney General, who shall serve as chairman; the Director of the Division of Budget and Accounting; two members of the Legislature, one to be appointed by the President of the Senate and one to be appointed by the Speaker of the General Assembly; and 16 other members who shall be appointed by the Governor, with the advice and consent of the Senate, each for a term of 3 years; except that of the members first appointed, five shall serve for a term of 1 year, five for 2 years and six for 3 years. Members shall be selected from among residents of this State who are representative of the criminal justice system, including but not limited to police agencies, the judiciary, prosecutorial and defense counsel, adult correctional and rehabilitative agencies and juvenile justice agencies; State,

county and local government; public and private agencies related to the criminal justice system; and the general public.

Each member shall serve until his successor has been appointed and qualified. Vacancies in the membership of the agency shall be filled in the same manner as the original appointments were made, but for the unexpired term only. If any member appointed as a representative of the criminal justice system shall no longer serve as such representative, his seat shall be vacant. A vice chairman shall be selected by the board from among its members, and shall serve as chairman in the chairman's absence. Members of the board shall serve without compensation but, within the limits of funds available therefor, shall be entitled to reimbursement for all necessary and reasonable expenses incurred in the discharge of their duties.

2. This act shall take effect immediately.

Approved February 6, 1981.

CHAPTER 22

AN ACT concerning robbery and amending N. J. S. 2C:15–1.

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

1. N. J. S. 2C:15–1 is amended to read as follows:

Robbery defined.

2C:15–1. a. Robbery defined. A person is guilty of robbery if, in the course of committing a theft, he:

(1) Inflicts bodily injury or uses force upon another; or

(2) Threatens another with or purposely puts him in fear of immediate bodily injury; or

(3) Commits or threatens immediately to commit any crime of the first or second degree.

An act shall be deemed to be included in the phrase "in the course of committing a theft" if it occurs in an attempt to commit theft or in immediate flight after the attempt or commission.

b. Grading. Robbery is a crime of the second degree, except that it is a crime of the first degree if in the course of committing the

theft the actor attempts to kill anyone, or purposely inflicts or attempts to inflict serious bodily injury, or is armed with, or uses or threatens the immediate use of a deadly weapon.

2. This act shall take effect immediately.

Approved February 6, 1981.

CHAPTER 23

AN ACT concerning education and amending sections 18A:12–2 and 18A:12–3 and supplementing Chapter 12 of Title 18A of the New Jersey Statutes.

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

1. N. J. S. 18A:12–2 is amended to read as follows:

Conflict of interest.

18A:12–2. No member of any board of education shall be interested directly or indirectly in any contract with or claim against the board, nor, in the case of local and regional school districts, shall he hold office as mayor or as a member of the governing body of a municipality, nor, in the case of county special services school districts and county vocational school districts, shall he hold office as a member of the governing body of a county.

2. N. J. S. 18A:12–3 is amended to read as follows:

Removal from membership.

18A:12–3. Whenever a member of a local or regional board of education shall cease to be a bona fide resident of the district, or of any constituent district of a consolidated or regional district which he represents, or shall become mayor or a member of the governing body of a municipality, his membership in the board shall immediately cease; and, any member who fails to attend three consecutive meetings of the board without good cause may be removed by it. Whenever a member of a county special service school district or a member of a county vocational school district shall cease to be a bona fide resident of the district, or shall hold office as a member of the governing body of a county, his membership on the board shall immediately cease.

3. (New section) Any member of a school board who also holds office as a mayor or a member of a municipal governing body on the effective date of this act shall continue in office until the expiration of his respective term and the qualification in office of his successor.

4. This act shall take effect immediately.

Approved February 6, 1981.

CHAPTER 24

AN ACT to amend "The Banking Act of 1948," approved April 29, 1948 (P. L. 1948, c. 67).

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

1. Section 19 of P. L. 1948, c. 67 (C. 17:9A–19) is amended to read as follows:

C. 17:9A-19 Branch offices; location; capital requirements.

19. A. Any bank or savings bank may, pursuant to a resolution of its board of directors or board of managers, establish and maintain branch offices, subject to the conditions and limitations of this article.

B. No bank or savings bank shall establish or maintain a branch office which is located outside the municipality in which it maintains its principal office, except that a bank or savings bank may establish and maintain a branch office or offices anywhere in the State:

(1) When such bank is a receiving bank as defined in section 132 or a receiving savings bank as defined in section 205, and each proposed branch will be established at a location occupied by the principal office or a branch office of a merging bank, as defined in section 132; or a merging savings bank, as defined in section 205; or

(2) When each proposed branch will be established at a location occupied by the principal office or a branch office of a banking institution in liquidation or in contemplation of liquidation.

(3) (Deleted by amendment.)

C. No bank shall hereafter establish a full branch office unless its capital stock and surplus shall at least equal the minimum capital

stock and surplus required by section 4 on the organization of a bank to transact business at the location occupied by the principal office of the bank proposing to establish such full branch office, plus at least $100,000.00 of capital stock for each full branch office maintained or proposed to be established by such bank.

D. No savings bank shall hereafter establish a full branch office unless its surplus shall at least equal the minimum capital deposits required by section 8 on the organization of a savings bank to transact business at the location occupied by the principal office of the savings bank proposing to establish such full branch office, plus at least $100,000.00 of surplus for each full branch office maintained or proposed to be established by such savings bank.

E. (Deleted by amendment.)

F. (Deleted by amendment.)

G. (Deleted by amendment.)

H. (Deleted by amendment.)

I. (Deleted by amendment.)

J. (Deleted by amendment.)

K. A bank or savings bank may establish a full branch office, a minibranch office, or communications terminal branch office anywhere in this State, provided that no bank or savings bank shall, except as provided in subsection B. of this section, establish a full branch office or a minibranch office in a municipality, other than that in which it maintains its principal office, which has a population of less than 10,000, and in which another banking institution maintains its principal office. For purposes of this subsection, the principal office of each bank or national banking association which is a subsidiary of a bank holding company which controls two or more banking institutions shall be deemed to be a branch office.

The commissioner, upon application, may set aside the population requirement set forth above for full branch offices or minibranch offices.

L. Except as otherwise provided by law, no foreign bank as defined in section 315 shall establish, operate or maintain in this State any full branch office, minibranch office or communication terminal branch office.

2. This act shall take effect immediately.

Approved February 6, 1981.

CHAPTER 25

AN ACT to amend the "Spill Compensation and Control Act," approved January 6, 1977 (P. L. 1976, c. 141).

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

1. Section 7 of P. L. 1976, c. 141 (C. 58:10–23.11f) is amended to read as follows:

C. 58:10-23.11f Removal of hazardous substances.

7. a. Whenever any hazardous substance is discharged, the department may, in its discretion act to remove or arrange for the removal of such discharge or may direct the discharger to remove, or arrange for the removal of, such discharge. Any discharger who fails to comply with such a directive shall be liable to the department in an amount equal to three times the cost of such removal.

Removal of hazardous substances and actions to minimize damage from discharges shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311 (c) (2) of the Federal Water Pollution Control Act Amendments of 1972 (P. L. 92-500, 33 U. S. C. 1251 et seq.).

Whenever the department acts to remove a discharge or contracts to secure prospective removal services, it is authorized to draw upon the money available in the fund. Such moneys shall be used to pay promptly for all cleanup costs incurred by the department in removing or in minimizing damage caused by such discharge.

Nothing in this section is intended to preclude removal and cleanup operations by any person threatened by such discharges, provided such persons coordinate and obtain approval for such actions with ongoing State or Federal operations. No action taken by any person to contain or remove a discharge shall be construed as an admission of liability for said discharge. No person who renders assistance in continuing or removing a discharge shall be liable for any civil damages to third parties resulting solely from acts or omissions of such person in rendering such assistance except for acts or omissions of gross negligence or willful misconduct. In the course of cleanup operations, no person shall discharge

any detergent into the waters of this State without prior authorization of the commissioner.

b. Notwithstanding any other provisions of P. L. 1976, c. 141 (C. 58:10–23.11 et seq.), the department, after notifying the administrator and subject to the approval of the administrator with regard to the availability of funds therefor, may remove or arrange for the removal of any hazardous substance which:

(1) Has not been discharged from a grounded or disabled vessel if the department determines that such removal is necessary to prevent an imminent discharge of such hazardous substance;

(2) Has not been discharged if the department determines that such substance is not satisfactorily stored or contained and said substance possesses any one or more of the following characteristics:

(a) explosiveness;

(b) high flammability;

(c) radioactivity;

(d) chemical properties which in combination with any discharged hazardous substance at the same storage facility would create a substantial risk of imminent damage to public health or safety or an imminent and severe damage to the environment;

(e) is stored in a container from which its discharge is imminent as a result of contact with a hazardous substance which has already been discharged and such additional discharge would create a substantial risk of imminent damage to public health or safety or imminent and severe damage to the environment; or

(f) high toxicity and is stored or being transported in a container or motor vehicle, truck, railcar or other mechanized conveyance from which its discharge is imminent as a result of the significant deterioration or the precarious location of the container, motor vehicle, truck, railcar or other mechanized conveyance, and such discharge would create a substantial risk of imminent damage to public health or safety or imminent and severe damage to the environment; or

(3) Has been discharged prior to the effective date of the act to which this act is amendatory, if such discharge poses a substantial risk of imminent damage to the public health or safety or imminent and severe damage to the environment.

c. If and to the extent that he determines that funds are available, the administrator shall approve and make payments for any cleanup and removal costs incurred by the department for the removal of a hazardous substance other than petroleum as authorized by subsection b. of this section; provided that in determining the availability of funds, the administrator shall not include as available funds revenues realized or to be realized from the tax on the transfer of petroleum to the extent that such revenues result from a tax levied at a rate in excess of $0.01 per barrel, pursuant to subsection 9b. of the act to which this act is amendatory, unless the administrator determines that the sum of claims paid by the fund on behalf of petroleum discharges or removals plus pending reasonable claims against the fund on behalf of petroleum discharges or removals is greater than 30% of the sum of all claims paid by the fund plus all pending, reasonable claims against the fund.

d. The adminstrator may only approve and make payments for any cleanup and removal costs incurred by the department for the removal of a hazardous substance discharged prior to the effective date of the act to which this act is amendatory, pursuant to subsection b. of this section, if, and to the extent that, he determines that adequate funds from another source are not or will not be available; and further provided, with regard to the cleanup and removal costs incurred for discharges which occurred prior to the effective date of the act to which this act is amendatory, the administrator may not during any 1 year period pay more than $3,000,000.00 in total or more than $1,500,000.00 for any discharge or related set or series of discharges.

e. Notwithstanding any other provisions of P. L. 1976, c. 141, the administrator, upon the approval of the department after considering, among any other relevant factors, its priorities for spending funds pursuant to P. L. 1976, c. 141, and within the limits of available funds, shall make payments for the restoration or replacement of, or connection to an alternative water supply for, any private residential well destroyed, contaminated, or impaired as a result of a discharge prior to the effective date of P. L. 1976, c. 141, provided however total payments for said purpose shall not exceed $500,000.00 for the period between the effective date of this subsection e. and January 1, 1983, and in any calendar year thereafter.

f. Any expenditures made by the administrator pursuant to this act shall constitute a first priority claim and lien paramount to all other claims and liens upon the revenues and all real and

personal property of the discharger, whether or not the discharger is insolvent.

2. This act shall take effect immediately.

Approved February 9, 1981.

CHAPTER 26

AN ACT concerning public general hospitals, amending P. L. 1977, c. 289 and R. S. 30:9–14 and making an appropriation therefor.

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

1. Section 4 of P. L. 1977, c. 289 (C. 30:9–12.32) is amended to read as follows:

C. 30:9-12.32 Information submitted to commissioner.

4. From time to time, as determined by the commissioner, but not less than quarterly, each hospital seeking assistance under this act shall submit to the commissioner the following information:

a. The total number of patient-days of in-patient service provided by the hospital to all patients;

b. The number of patient-days of in-patient service provided by the hospital to nonthird party patients;

c. Such information as the commissioner may require in order to determine that health care and services provided by the hospital to nonthird party patients are reasonable and necessary;

d. Such information as the commissioner may require in order to determine that the hospital is making its best efforts to collect accounts receivable from nonthird party patients, who are not medically indigent as defined by the commissioner;

e. Such information as the commissioner may require in order to determine that charges imposed upon nonthird party patients by the hospital do not exceed the reasonable cost of health care services provided; and

f. Such information as the commissioner may require in order to determine that charges imposed upon nonthird party patients are proportional to such patients' ability to pay.

g. Such information as the commissioner may require in order to determine whether the current liabilities of the hospital exceed its cash balance in such manner or proportion as to render the hospital financially distressed.

2. Section 5 of P. L. 1977, c. 289 (C. 30:9–12.33) is amended to read as follows:

C. 30:9-12.33 Commissioner's determination; authorization to enter into contracts; schedule; contents of contracts.

5. a. The commissioner shall determine whether:

(1) The calculation by the hospital of total patient-days and nonthird party patient-days is accurate;

(2) The medical and hospital care and services provided nonthird party patients are reasonable and necessary;

(3) The hospital is making its best efforts to collect accounts receivable from nonthird party patients who are not medically indigent as defined by the commissioner;

(4) The charges imposed upon nonthird party patients by the hospital do not exceed the reasonable cost of health care services provided; and

(5) The charges imposed upon nonthird party patients are proportional to such patients' ability to pay;

(6) The current liabilities of the hospital exceed its cash balance in such manner or proportion as to render the hospital financially distressed.

b. Upon determination that all of the conditions in subsection a. (1–5) have been satisfied, the commissioner is authorized to enter into contracts with public general hospitals, together with the municipality or county by which the hospital is maintained or operated, according to the following schedule:

(1) Where the number of nonthird party patient days is less than 10% of the total number of patient days actually provided by the hospital, no payment shall be made; and

(2) Where the number of nonthird party patient days exceeds 10% of the total number of patient days actually provided by the hospital, payment shall be made under one of the following formulas:

(a) Where the Medicaid reimbursement for the hospital is based on a per diem rate system, payment shall be made at the rate of 100% of the final current Medicaid per diem rate for all nonthird party patient days in excess of 3% of such total.

(b) Where the Medicaid reimbursement for the hospital is based on a system other than a per diem rate, payment shall be made at the rate of 100% of the total costs of services rendered, calculated at the Medicaid rate, to nonthird party patients, multiplied by the ratio of the percentage of nonthird party patient days, of the total number of actual patient days, minus 3% to the percentage of nonthird party patient days, of the total number of patient days.

c. Upon the commissioner's determination that a hospital, which has received assistance pursuant to the "Public General Hospital Association Act," P. L. 1977, c. 289 (C. 30:9–12.29 et seq.), meets the condition described in subsection a. (6) of this section, the commissioner is authorized to enter into contracts with such public general hospital, together with the municipality or county by which the hospital is maintained or operated, for assistance in an amount consistent with a formula developed by the commissioner based on the hospital's financial needs, available assets and potential operating deficiencies, but not less than the amounts appropriated pursuant to this act for the benefit of such hospital during fiscal year 1979. Such assistance shall be conditioned on receipt from the county of not less than $1.1 million and from the municipality of not less than $2 million for the management and operation of the hospital for each fiscal year after their fiscal year 1980.

d. Such contracts shall provide that:

(i) The hospital receiving assistance agrees to an annual audit of all expenditures by the hospital, according to procedures established by the commissioner in consultation with the State Treasurer;

(ii) The hospital receiving assistance agrees to cooperate fully in any review by the commissioner or his designee of operating procedures or management.

e. Such contracts may provide that:

(i) Certain services provided by the hospital be maintained, increased, modified, or continued; provided, however, that no additions or modifications may be imposed if the effect of such additions or modifications would be to increase the total cost of uncompensated services provided by the hospital;

(ii) Specific changes in management or operating procedures, which the commissioner has determined will improve efficiency, be implemented; and

(iii) The municipality or county by which the hospital is maintained issue or cause to be issued bonds in order to provide capital improvements to increase operating efficiency. No such provisions, however, shall be construed to require such an issue unless such an issue is authorized by law.

f. The commissioner shall promptly negotiate all necessary contracts in order that the purposes of this act may be fulfilled to provide assistance to qualifying public general hospitals.

3. Section 6 of P. L. 1977, c. 289 (C. 30:9–12.34) is amended to read as follows:

C. 30:9-12.34 Board of managers of institutions receiving funds; appointments by Governor.

6. a. Notwithstanding the provisions of P. L. 1947, c. 34, s. 2 (C. 30:9–12.2) and R. S. 30:9–14, the Governor shall appoint two individuals to serve as representatives of this State on the board of managers of any institution receiving funds pursuant to the provisions of this act, and the appointing authority pursuant to the provisions of said P. L. 1947, c. 34, s. 2 (C. 30:9–12.2) and of R. S. 30:9–14 shall appoint two members to serve as representatives of the municipality or the county on the board of managers of such an institution. Such four additional members shall be in addition to and shall have the same powers and duties as the seven members appointed pursuant to P. L. 1947, c. 34, s. 2 and the 12 members appointed pursuant to R. S. 30:9–14, and shall serve during each State fiscal year in which funds are appropriated pursuant to this act and during the fiscal year next following such appropriation.

b. When the commissioner makes a determination pursuant to subsection a.(6) of section 5 of this act, the Governor may, acting on behalf of the public and in order to carry out the express public purposes of the institution, reconstitute the existing board of managers and appoint all members and fix their compensation. The State shall not be responsible for any debts of such hospital, notwithstanding the reconstitution of the board of managers.

4. R. S. 30:9–14 is amended to read as follows:

Board of managers; appointment; membership; expenses; removal; powers of board.

30:9–14. a. The governing body of any municipality establishing and maintaining a hospital or hospitals under authority of section 30:9–13 of this Title shall have power to appoint a board to manage and operate its hospitals established pursuant to section 30:9–13

of this Title. The board shall consist of 12 persons, 10 of whom shall be citizens and residents of the municipality, who shall serve without compensation; 3 of whom shall be appointed for a term of 2 years, 3 of whom shall be appointed for a term of 3 years, and 4 of whom shall be appointed for a term of 4 years. Thereafter, all appointments shall be made for terms of 4 years. All appointed members shall serve after the expiration of their terms until their respective successors are appointed and shall qualify, and any vacancy occurring in the appointed members of the board, due to expiration of term or otherwise, shall be filled in the same manner as the original appointment, for the unexpired term only, notwithstanding that the previous incumbent may have held over and continued in office as aforesaid. The board members may be reimbursed for actual expenses incurred in the performance of their official duties. The chief executive of the municipality and the officer having charge of its finances shall be ex officio members of the board.

b. At its organization meeting the board shall annually elect a chairman, vice-chairman, a secretary and a treasurer, who shall hold office until February 1 next ensuing, and until their respective successors have been elected and qualify. The treasurer may be an ex officio member of the board. The treasurer shall file a bond of indemnity with the board in an amount sufficient to cover the moneys from time to time under his custody and control. Such moneys shall be deposited to the account of the hospital in a separate bank account or accounts.

c. The board or its members shall incur no expense or obligation in excess of the amount appropriated by the governing body for expenditure by them and of hospital funds subject to their disposition.

d. The governing body may remove a member for cause after public hearing which removal shall be in accordance with the civil service and tenure of office laws in municipalities operating under such laws. Such removal shall be reviewable in the Superior Court by a proceeding in lieu of prerogative writ.

e. The board shall have the following powers:

(1) To exercise full and exclusive control over the hospital or hospitals owned by the municipality, but subject to State health and licensing laws;

(2) To have a common seal and to alter the same in its discretion;

(3) To sue and be sued as a public body, politic and corporate;

(4) To enter into any and all contracts, execute any and all instruments and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the hospital, or to carry out any powers expressly granted in this section;

(5) To do and perform any acts and things authorized by this act, through or by means of its own officers, agents and employees, or by contracts with any persons;

(6) To make and enforce by-laws or rules and regulations for the business and affairs of the hospital and for the use, maintenance and operation of the hospital;

(7) To fix the salaries of all employees and to create and establish such positions as may be necessary for the efficient operation of the hospital, and except as otherwise provided by section 30:9–13 of this Title and applicable law. All salaries shall be fixed as nearly as practicable in accordance with the schedule, if any, of the municipality for corresponding positions. Receipts and revenues of the hospital shall be retained and applied by the board for the purposes of the hospital. Prior to November 15 of each year, the board shall certify to the governing body any additional sums that may be necessary for the proper conduct of its work during the ensuing fiscal year, which shall include the following items:

(a) Payment of wages and salaries of employees;

(b) Purchase of materials and supplies;

(c) Purchase of necessary equipment and services.

f. The governing body shall annually appropriate such sums as it may deem necessary for said purposes within the amounts available therefor in accordance with applicable law. The board shall not have the power to borrow money for any of its purposes.

g. (1) Notwithstanding anything to the contrary in any of the statutes or any provisions thereof, whenever the Commissioner of the Department of Health makes a determination pursuant to subsection a.(6) of section 5 of P. L. 1977, c. 289 (C. 30:9–12.33), the Governor shall reconstitute the board of managers of the hospital by the appointment, with the advice and consent of the Senate; provided, however, that if no action has been taken within 45 days after the nominations for appointment have been submitted to the Senate, the nominations shall be deemed confirmed, of a board consisting of not less than five nor more than nine members who shall receive reasonable compensation, as set by the Governor, and

reimbursement of their expenses and who shall be appointed for terms not to exceed 5 years. The appointments of the reconstituted board shall be effective as of July 1, 1981. The existing board members shall continue to serve until the reconstituted board is appointed.

(2) The reconstituted board shall have all the powers enumerated in subsection e. of this section and shall have power to appoint, retain and employ attorneys with the approval of the Governor and the Attorney General.

(3) Notwithstanding the provisions of Title 11 (Civil Service) or any other Title of the Revised Statutes, the board may appoint, remove, promote and transfer employees in the following positions which shall be in the unclassified service; executive director, associate executive director, assistant executive director.

(4) In addition, the board shall be responsible for conducting a study of the management, finances and governance structure of the hospital and of the most feasible means of restoring the hospital to an efficient and financially solvent operation. The recommendations of the reconstituted board concerning the future governance of the hospital and the borrowing of money, sale of property and investment of assets for the current or future management and operation of the hospital, including the reestablishment of the original board of managers if the hospital no longer meets the condition described in subsection a. (6) of section 5 of P. L. 1977, c. 289 (C. 30:9–12.33), shall be submitted to the governing body and the Governor. The governing body shall take all necessary and proper action to effectuate such recommendations.

(5) Prior to November 15 of each year, the board shall certify to the governing body any additional sums that may be necessary for the proper conduct of its work during the ensuing fiscal year. The governing body shall appropriate such sums as the board has certified to be necessary within the amounts available in accordance with applicable law.

(6) Upon the appointment of the reconstituted board, no action or proceeding in the nature of an attachment, garnishment or execution shall be commenced or maintained in the courts of this State against the hospital or its assets for a period of 1 year from the date of appointment of the board by the Governor.

5. (New section) The unexpended balance of funds in former Account No. 22110-360-150-862 for the fiscal year ending June 30, 1980 is appropriated for the fiscal year ending June 30,

1981 to Account No. 4220-150-021010-60 (Assistance to Public General Hospitals) for the purpose of this act; provided, however, that the balance shall first be applied to satisfy obligations owed to the State for unpaid Public Employment Retirement System payments, unpaid State gross income, sales and use and emergency transportation taxes, Federal Social Security obligations as well as moneys owed to the College of Medicine and Dentistry of New Jersey.

6. This act shall take effect immediately.

Approved February 9, 1981.

CHAPTER 27

AN ACT to amend and supplement the "Administrative Procedure Act," approved January 14, 1969 (P. L. 1968, c. 410).

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

C. 52:14B-4.1 Rules; submission to Legislature; referral to committee.

1. (New section) Every rule hereafter proposed by a State agency shall be submitted by the agency to the Senate and General Assembly prior to its adoption, amendment or repeal on a day during a regular or special session of the Legislature, and the President of the Senate and the Speaker of the General Assembly shall immediately refer the proposed rule to the appropriate standing reference committee in each House.

C. 52:14B-4.2 Approval or disapproval; recommendation.

2. (New section) The standing reference committee may report its approval or disapproval of the proposed rule to the full membership of the House or its recommendation that the rule not take effect for 60 days, within 45 days of the date on which it is referred to the committee.

C. 52:14B-4.3 Approval of rules.

3. (New section) A rule shall be deemed approved unless within 60 days of the submission thereof, the Senate and General Assembly adopt a concurrent resolution disapproving the rule, in whole or in part, or providing that the rule not take effect during the 60 days following the date of the adoption of the resolution, during

which time they may nevertheless adopt a concurrent resolution disapproving the rule. No action may be taken by the Legislature under this section until after 1 calendar day from the date of the standing reference committee's report.

C. 52:14B-4.4 Emergency adoption procedures.

4. (New section) Prior legislative approval in accordance with this act shall not be required in the case of the adoption of a rule required by the Federal Government or because of an emergency affecting the public health, safety or welfare. When an emergency affecting the public health, safety or welfare requires the adoption of a rule, the head of the State agency adopting the rule shall notify the President of the Senate and the Speaker of the General Assembly by letter stating the nature of the emergent matter, the reason for the adoption of the rule, and attaching a copy of the rule. The President and the Speaker shall forward these documents to the appropriate standing reference committee in each House.

C. 52:14B-4.5 Joint legislative oversight committee; establishment.

5. (New section) The Senate and General Assembly shall establish by joint rule a joint committee of the Legislature to be known as the Joint Legislative Oversight Committee. The committee shall have such membership, be constituted in such manner and be governed by such procedures, as may be provided by joint rules.

C. 52:14B-4.6 Duties of committee.

6. (New section) It shall be the duty of the committee to:

a. Promote adequate and proper rules, statements of general policy and interpretations of statutes by State agencies through consultation with agencies, legislative standing reference committees and the general public;

b. Maintain a continuous review of the statutory authority for the promulgation of rules and revisions to that authority through legislative enactments or judicial findings;

c. Review existing rules in the manner provided in this act;

d. Engage in a continuous study of oversight procedures in order to assess their effectiveness and to remain informed of new techniques;

e. Develop criteria for the evaluation of rules;

f. When directed by either House or by the President of the Senate or the Speaker of the General Assembly,

(1) Conduct examinations of agency programs, policies and procedures to determine whether agency activities are efficient, effective and serving their intended purpose;

(2) Evaluate and monitor the implementation of recommendations regarding agency programs, policies and procedures which are offered in oversight examinations conducted by the committee, special legislative committees or commissions, standing reference committees, or any agency of the Legislature;

(3) Investigate complaints concerning agency programs, policies and procedures;

(4) Conduct such other studies related to oversight functions or procedures not otherwise delegated or assigned by statute to other joint legislative committees and issue such reports and make such recommendations as the committee deems necessary in regard thereto.

Written notice of any directive under this subsection shall be delivered to the members of the Legislature at least 48 hours before the issuance of the directive.

C. 52:14B-4.7 Review of rules; conduct; suspension of rule.

7. (New section) a. The committee may review any rule proposed and adopted after the effective date of this act to determine whether the rule is adequate, proper, timely, appropriate, necessary, reasonable, equitable, understandable, consistent with legislative intent, in accord with judicial findings, and within the scope of the promulgating agency's authority.

In conducting its review, the committee may:

(1) Direct the State agency to provide such information as the committee deems necessary for the conduct of the review;

(2) Conduct a public hearing regarding the rule;

(3) Direct the State agency to conduct a public hearing regarding the rule and to report the results to the committee;

(4) Negotiate with and offer recommendations to the agency concerning revisions in the rule.

b. The committee, by majority vote of its authorized membership may report its recommendation of suspension for 60 days, of a rule to the President of the Senate and Speaker of the General Assembly, who may refer the report of the committee to a standing reference committee or the full membership of the House for appropriate action.

c. The Senate and General Assembly may adopt a concurrent resolution suspending the rule for 60 days, after 1 calendar day from the date of the committee's report.

d. Upon adoption by the Senate and General Assembly of the concurrent resolution, the rule shall be suspended for 60 days.

C. 52:14B-4.8 Vote recorded.

8. (New section) A vote by the Senate or General Assembly on a concurrent resolution on any action authorized by this act shall be a recorded vote.

C. 52:14B-4.9 New rule.

9. (New section) Any rule proposed by a State agency which revises, rescinds or replaces either (1) any proposed or existing rule or (2) any rule which has been suspended shall be considered as a new rule and shall be subject to the provisions of this act and the act to which it is a supplement.

10. Section 2 of P. L. 1968, c. 410 (C. 52:14B–2) is amended to read as follows:

C. 52:14B-2 Definitions.

2. As used in this act:

(a) "State agency" or "agency" shall include each of the principal departments in the executive branch of the State Government, and all boards, divisions, commissions, agencies, departments, councils, authorities, offices or officers within any such departments now existing or hereafter established and authorized by statute to make, adopt or promulgate rules or adjudicate contested cases, except the office of the Governor.

(b) "Contested case" means a proceeding, including any licensing proceeding, in which the legal rights, duties, obligations, privileges, benefits or other legal relations of specific parties are required by constitutional right or by statute to be determined by an agency by decisions, determinations, or orders, addressed to them or disposing of their interests, after opportunity for an agency hearing.

(c) "Administrative adjudication" or "adjudication" includes any and every final determination, decision or order made or rendered in any contested case.

(d) "The head of the agency" means and includes the individual or group of individuals constituting the highest authority within any agency authorized or required by law to render an adjudication in a contested case.

(e) "Administrative rule" or "rule," when not otherwise modified, means each agency statement of general applicability and continuing effect that implements or interprets law or policy, or describes the organization, procedure or practice requirements of any agency. The term includes the amendment or repeal of any rule, but does not include: (1) statements concerning the internal management or discipline of any agency; (2) intraagency and interagency statements; and (3) agency decisions and findings in contested cases.

(f) "License" includes the whole or part of any agency license, permit, certificate, approval, chapter, registration or other form of permission required by law.

(g) "Secretary" means the Secretary of State.

(h) "Director" shall mean the Director of the Division of Administrative Procedure, unless otherwise indicated by context.

11. Section 4 of P. L. 1968, c. 410 (C. 52:14B–4) is amended to read as follows:

C. 52:14B-4 Notice; contents; publication; public hearing; adoption of rules.

4. (a) Prior to the adoption, amendment, or repeal of any rule, except as may be otherwise provided, the agency shall:

(1) Give at least 30 days' notice of its intended action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues involved, and the time when, the place where, and the manner in which interested persons may present their views thereon. The notice shall be mailed to all persons who have made timely request of the agency for advance notice of its rule-making proceedings and in addition to other public notice required by law shall be published in the New Jersey Register and shall be filed with the President of the Senate and the Speaker of the General Assembly. The notice shall be additionally publicized in such manner as the agency deems most appropriate in order to inform those persons most likely to be affected by or interested in the intended action. Methods that may be employed include publication of the notice in newspapers of general circulation or in trade, industry, governmental or professional publications, distribution of press releases to the news media and posting of notices in appropriate locations;

(2) Prepare for public distribution at the time the notice appears in the Register a statement setting forth a summary of the proposed rule, a clear and concise explanation of the purpose and

effect of the rule, the specific legal authority under which its adoption is authorized, and a description of the expected socio-economic impact of the rule;

(3) Afford all interested persons reasonable opportunity to submit data, views, or arguments, orally or in writing. The agency shall consider fully all written and oral submissions respecting the proposed rule.

The agency shall conduct a public hearing on the proposed rule at the request of a committee of the Legislature, or a governmental agency or subdivision, provided such request is made to the agency within 15 days following publication of the proposed rule in the Register. The agency shall provide at least 15 days' notice of such hearing, which shall be conducted in accordance with the provisions of subsection (g) of this section;

(4) Prepare for public distribution a report listing all parties offering written or oral submissions concerning the rule, summarizing the content of the submissions and providing the agency's response to the data, views and arguments contained in the submissions.

(b) A rule prescribing the organization of an agency may be adopted at any time without prior notice or hearing. Such rules shall be effective upon filing in accordance with section 5 of this act or upon any later date specified by the agency.

(c) If an agency finds that an imminent peril to the public health, safety, or welfare requires adoption of a rule upon fewer than 30 days' notice and states in writing its reasons for that finding, and the Governor concurs in writing that an imminent peril exists, it may proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt the rule. The rule shall be effective for a period of not more than 60 days unless each House of the Legislature passes a resolution concurring in its extension for a period of not more than 60 additional days. The rule shall not be effective for more than 120 days unless repromulgated in accordance with normal rule-making procedures.

(d) No rule hereafter adopted is valid unless adopted in substantial compliance with this act. A proceeding to contest any rule on the ground of noncompliance with the procedural requirements of this act shall be commenced within 1 year from the effective date of the rule.

(e) An agency may file a notice of intent with respect to a proposed rule-making proceeding with the Office of Administrative

Law, for publication in the New Jersey Register at any time prior to the formal notice of action required in subsection (a) of this section. The notice shall be for the purpose of eliciting the views of interested parties on an action prior to the filing of a formal rule proposal. An agency may use informal conferences and consultations as a means of obtaining the viewpoints and advice of interested persons with respect to contemplated rule-making. An agency may also appoint committees of experts or interested persons or representatives of the general public to advise it with respect to any contemplated rule-making.

(f) An interested person may petition an agency to promulgate, amend or repeal any rule. Each agency shall prescribe the form for the petition and the procedure for the submission, consideration and disposition of the petition. The petition shall state clearly and concisely:

(1) The substance or nature of the rule-making which is requested;

(2) The reasons for the request and the petitioner's interest in the request;

(3) References to the authority of the agency to take the requested action.

Within 30 days following receipt of any such petition, the agency shall either deny the petition, giving a written statement of its reasons, or shall proceed to act on the petition, which action may include the initiation of a formal rule-making proceeding. Upon the receipt of the petition, the agency shall file a notice stating the name of the petitioner and the nature of the request with the Office of Administrative Law for publication in the New Jersey Register. Notice of formal agency action on such petition shall also be filed with the division for publication in the Register.

(g) All public hearings shall be conducted by a hearing officer who may be an official of the agency, a member of its staff, a person on assignment from another agency, a person from the Office of Administrative Law assigned pursuant to subsection o. of section 5 of P. L. 1978, c. 67 (C. 52:14F–5o.) or an independent contractor. The hearing officer shall have the responsibility to make recommendations to the agency regarding the adoption, amendment or repeal of a rule. These recommendations shall be made public. At the beginning of each hearing, or series of hearings, the agency, if it has made a proposal, shall present a summary of the factual information on which its proposal is based, and shall respond to questions posed by any interested party. Hearings shall be con-

ducted at such times and in locations which shall afford interested parties the opportunity to attend. A verbatim transcript of each hearing shall be maintained, and copies of the transcript shall be available to the public at no more than the actual cost.

12. Section 5 of P. L. 1968, c. 410 (C. 52:14B–5) is amended to read as follows:

C. 52:14B-5 Filing and effective date of rules; publication.

5. (a) Each agency shall file with the Director of the Office of Administrative Law a certified copy of each rule adopted by it.

(b) No rule hereafter adopted shall be effective unless it has been deemed to be approved by the Legislature pursuant to section 3 of this amendatory and supplementary act.

(c) The director shall: (1) accept for filing or publication any rule duly adopted and submitted by any agency pursuant to this act; (2) endorse upon the certified copy of each rule accepted for filing pursuant to this act the date and time upon which such rule was filed; and (3) maintain the certified copy of each rule so filed in a permanent register open to public inspection.

(d) The filing of a certified copy of any rule shall be deemed to establish the rebuttable presumptions that: (1) it was duly adopted; (2) it was duly submitted for prepublication and made available for public inspection at the hour and date endorsed upon it; (3) all requirements of this act and of interagency rules of the director relative to such rule have been complied with; (4) its text is the text of the rule as adopted. Judicial notice shall be taken of the text of each rule, duly filed.

(e) The publication of a rule in the New Jersey Administrative Code or the New Jersey Register shall be deemed to establish the rebuttable presumption that the rule was duly filed and that the text of the rule as so published is the text of the rule adopted. Judicial notice shall be taken of the text of each rule published in the New Jersey Administrative Code or the New Jersey Register.

13. This act shall take effect 30 days after enactment.

Filed February 9, 1981.

CHAPTER 28

AN ACT cancelling certain appropriations from the Clean Waters Fund in the amount of $18,467,230.00; reallocating this funding for emergency water supply projects to alleviate the current drought emergency; and appropriating $14,267,230.00 for 8% sewer construction grants from the Natural Resources Fund to restore certain cancelled appropriations.

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

1. The following portions of amounts appropriated by P. L. 1977, c. 119 and P. L. 1977, c. 450 to the Department of Environmental Protection for grants to local governments from the Clean Waters Fund are hereby cancelled:

Brick Township Municipal Utility Authority	$500,000.00
Ocean County Utility Authority	300,000.00
Point Pleasant Borough	383,024.00
Brick Township Municipal Utility Authority	300,000.00
Neptune Township Sewerage Authority	500,000.00
Beachwood Sewerage Authority	179,350.00
Bergen County Sewer Authority	500,000.00
Hoboken City	46,356.00
Hudson County Sewerage Authority	77,814.00
Hudson County Sewerage Authority	48,204.00
Hudson County Sewerage Authority	51,088.00
Landis Sewerage Authority	78,946.00
Matawan Borough	14,954.00
Middlesex County Sewerage Authority	2,000,000.00
Ocean County Sewerage Authority	1,800,000.00
Passaic Valley Sewerage Commissioners	7,000,000.00
Rockaway Valley Sewerage Authority	400,000.00
Warren County—Lopatcong Creek Sewerage Authority	10,480.00
Western Monmouth Utilities Authority	77,014.00
City of Newark—Filtration Plant	4,200,000.00
	$18,467,230.00

2. The Department of Environmental Protection is hereby authorized and directed to utilize the sum of $18,467,230.00 from the

Clean Waters Fund for the following emergency water supply projects to alleviate the current drought emergency:

Improvement at Passaic Valley Treatment Plant;

George Washington Bridge Interconnection;

Fairlawn Avenue Interconnection;

Bolster Interconnection between Elizabethtown Water Company and the Newark Water System; and the

Raritan-Passaic Pipeline (planning and design only).

The Department of Environmental Protection shall, within 30 days of the effective date of this act and every 30 days thereafter, transmit a report to the President of the Senate and to the Speaker of the General Assembly, which report shall detail the status of these projects and the amount expended thereon. The Department of Environmental Protection shall, in coordination with the Board of Public Utilities, develop a program to charge any water supply user which benefits from any water supply project constructed with funds from the Clean Waters Fund created pursuant to the "Clean Waters Bond Act of 1976" (P. L. 1976, c. 92), for the full cost of planning, designing, acquiring, constructing, and operating the projects.

3. There is hereby appropriated to the Department of Environmental Protection $14,267,230.00 from the Natural Resources Fund created pursuant to the "Natural Resources Bond Act of 1980" (P. L. 1980, c. 70), for the purpose of restoring grants to the following authorities and municipalities in the amount of 8% of approved local sewerage project costs which qualify for Federal assistance pursuant to the provisions of the "Sewerage Facilities Aid Program," P. L. 1979, c. 321, §§ 11-20 (C. 58:25–1 et seq.):

Brick Township Municipal Utility Authority	$500,000.00
Ocean County Utility Authority	300,000.00
Point Pleasant Borough	383,024.00
Brick Township Municipal Utility Authority	300,000.00
Neptune Township Sewerage Authority	500,000.00
Beachwood Sewerage Authority	179,350.00
Bergen County Sewer Authority	500,000.00
Hoboken City	46,356.00
Hudson County Sewerage Authority	77,814.00
Hudson County Sewerage Authority	48,204.00
Hudson County Sewerage Authority	51,088.00
Landis Sewerage Authority	78,946.00
Matawan Borough	14,954.00

Middlesex County Sewerage Authority	2,000,000.00
Ocean County Sewerage Authority	1,800,000.00
Passaic Valley Sewerage Commissioners	7,000,000.00
Rockaway Valley Sewerage Authority	400,000.00
Warren County—Lopatcong Creek Sewerage Authority	10,480.00
Western Monmouth Utilities Authority	77,014.00
	$14,267,230.00

4. This act shall take effect immediately.

Approved February 11, 1981.

CHAPTER 29

AN ACT appropriating moneys from the "Natural Resources Fund" for the purposes of planning, testing, designing, acquiring, constructing, reconstructing and rehabilitating water supply interconnection facilities and for the design of the Manasquan Reservoir project; and providing for procedures relating to the expenditure of these funds.

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

1. There is appropriated to the Department of Environmental Protection from the "Natural Resources Fund" created pursuant to the "Natural Resources Bond Act of 1980" (P. L. 1980, c. 70), the sum of $7,500,000.00 for State projects and matching grants to local governments for planning, testing, designing, acquiring and constructing water supply interconnection facilities and the sum of $500,000.00 for the design of the Manasquan Reservoir project.

The projects funded by this section shall include, but need not be limited to, the projects funded pursuant to section 2 of P. L. 1981, c. 28, approved February 11, 1981.

2. The Department of Environmental Protection shall, in coordination with the Board of Public Utilities, develop a program to charge any water purveyor which benefits from any water supply interconnection facility constructed with funds from the "Natural

Resources Bond Act of 1980" (P. L. 1980, c. 70), for the full costs of the planning, testing, designing, acquiring and constructing of the facility to the extent the purveyor benefits from the facility.

3. In order to provide flexibility in administering this act appropriating moneys from the "Natural Resources Fund," the Commissioner of the Department of Environmental Protection may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item in the appropriation. Upon approval of an application by the director and by the Legislative Budget Officer, in writing, the director shall make the transfer.

4. The expenditure of the sums appropriated by this act are subject to the provisions and conditions of P. L. 1980, c. 70.

5. The Department of Environmental Protection is directed to investigate the possibility of using desalinization facilities aboard United States Navy vessels to supplement the water supplies of New Jersey's municipalities and to provide the Governor and Legislature with a detailed report of the investigation within 30 days.

6. This act shall take effect immediately.

Approved February 11, 1981.

CHAPTER 30

AN ACT concerning membership in the Police and Firemen's Retirement System of certain elected officials and amending and supplementing P. L. 1968, c. 325.

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

1. Section 1 of P. L. 1968, c. 325 (C. 43:16A–3.4) is amended to read as follows:

C. 43:16A-3.4 Members elected to public office; rate of contribution to retirement system.

1. a. Any member elected to public office may continue to be a member during the time he remains in such public office. The member's rate of contribution to the retirement system as applied to his

salary as an elected official shall be the same rate, established pursuant to section 15 of P. L. 1944, c. 255 (C. 43:16A–15), he paid prior to assuming elective office. The employer of the elected official shall make the employer's normal contribution and any accrued liability contribution to the retirement system on the basis of the member's salary as an elected official as provided in section 15 of P. L. 1944, c. 255 (C. 43:16A–15) for so long as such member holds elective office and remains a member of the retirement system.

b. Any member of the retirement system who on the effective date of this amendatory act is an elected official and whose membership in the retirement system has been continued pursuant to the provisions of the act of which this act is amendatory shall have his rate of contribution thereto adjusted in accordance with the provisions of subsection a. of this section. The employer of the elected official shall make contributions to the retirement system on behalf of the member as provided in subsection a. of this section. No member who realizes a reduction in his rate of contribution as a result of subsection a. of this section shall be entitled to a refund of any contributions made to the retirement system prior to the effective date of this amendatory act which exceeds the amount he would have contributed had his rate of contribution as an elected official enrolled in the retirement system been the same as provided by this amendatory act.

2. (New section) Any member of the retirement system who on the effective date of this act is an elected official and whose membership in the retirement system has been continued pursuant to the provisions of the act to which this act is amendatory and supplementary shall notify the Division of Pensions within 180 days of the effective date of this act to adjust his rate of contribution as provided in this act. In the absence of notification to the division, the member shall continue to be a member during the time he remains in his public office only upon the payment of any and all contributions required on behalf of members and employers by section 15 of P. L. 1944, c. 255 (C. 43:16A–15), which shall be made either in a lump sum or by installment payments of amounts calculated in accordance with the requirements and regulations of the board of trustees.

3. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 31

AN ACT concerning sentencing and amending N. J. S. 2C:43–6, N. J. S. 2C:43–7, and N. J. S. 2C:44–3.

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

1. N. J. S. 2C:43–6 is amended to read as follows:

Sentence of imprisonment for crime; ordinary terms; mandatory terms.

2C:43–6. Sentence of Imprisonment for Crime; Ordinary Terms; Mandatory Terms.

a. Except as otherwise provided, a person who has been convicted of a crime may be sentenced to imprisonment, as follows:

(1) In the case of a crime of the first degree, for a specific term of years which shall be fixed by the court and shall be between 10 years and 20 years;

(2) In the case of a crime of the second degree, for a specific term of years which shall be fixed by the court and shall be between 5 years and 10 years;

(3) In the case of a crime of the third degree, for a specific term of years which shall be fixed by the court and shall be between 3 years and 5 years;

(4) In the case of a crime of the fourth degree, for a specific term which shall be fixed by the court and shall not exceed 18 months.

b. As part of a sentence for any crime and notwithstanding the provision of 2C:43–9, the court may fix a minimum term not to exceed one-half of the term set pursuant to subsection a., or one-half of the term set pursuant to a maximum period of incarceration for a crime set forth in any statute other than this code, during which the defendant shall not be eligible for parole; provided that no defendant shall be eligible for parole at a date earlier than otherwise provided by the law governing parole.

c. A person who has been convicted under 2C:39–4a. or of a crime under any of the following sections: 2C:11–3, 2C:11–4, 2C:12–1b., 2C:13–1, 2C:14–2a., 2C:14–3a., 2C:15–1, 2C:18–2, 2C:29–5, who, while in the course of committing or attempting to commit the crime, including the immediate flight therefrom, used or was in possession of a firearm as defined in 2C:39–1f., shall be sen-

tenced to a term of imprisonment by the court. The term of imprisonment shall include the imposition of a minimum term. The minimum term shall be fixed at, or between, one-third and one-half of the sentence imposed by the court or 3 years, whichever is greater, or 18 months in the case of a fourth degree crime, during which the defendant shall be ineligible for parole. The minimum terms established by this section shall not prevent the court from imposing presumptive terms of imprisonment pursuant to 2C:44–1f.(1) except in cases of crimes of the fourth degree. A person who has been convicted of an offense enumerated by this subsection and who used or possessed a firearm during its commission, attempted commission or flight therefrom and who has been previously convicted of an offense involving the use or possession of a firearm as defined in 2C:44–3d., shall be sentenced by the court to an extended term as authorized by 2C:43–7c., notwithstanding that extended terms are ordinarily discretionary with the court.

d. The court shall not impose a mandatory sentence pursuant to subsection c. of this section, 2C:43–7c. or 2C:44–3d., unless the ground therefor has been established at a hearing. At the hearing, which may occur at the time of sentencing, the prosecutor shall establish by a preponderance of the evidence that the weapon used or possessed was a firearm. In making its finding, the court shall take judicial notice of any evidence, testimony or information adduced at the trial, plea hearing, or other court proceedings and shall also consider the presentence report and any other relevant information.

2. N. J. S. 2C:43–7 is amended to read as follows:

Sentence of imprisonment for crime; extended terms.

2C:43–7. Sentence of Imprisonment for Crime; Extended Terms.

a. In the cases designated in section 2C:44–3 or 2C:11–3, a person who has been convicted of a crime may be sentenced to an extended term of imprisonment, as follows:

(1) In the case of a crime sentenced under 2C:11–3 for a specific term of years which shall be between 30 years and life imprisonment;

(2) In the case of a crime of the first degree, for a specific term of years which shall be fixed by the court and shall be between 20 years and life imprisonment;

(3) In the case of a crime of the second degree, for a term which shall be fixed by the court between 10 and 20 years;

(4) In the case of a crime of the third degree, for a term which shall be fixed by the court between 5 and 10 years;

(5) In the case of a crime of the fourth degree pursuant to 2C:43–6c. and 2C:44–3d. for a term of 5 years.

b. As part of a sentence for an extended term and notwithstanding the provisions of 2C:43–9, the court may fix a minimum term not to exceed one-half of the term set pursuant to subsection a. during which the defendant shall not be eligible for parole or a term of 25 years during which time the defendant shall not be eligible for parole where the sentence imposed was life imprisonment; provided that no defendant shall be eligible for parole at a date earlier than otherwise provided by the law governing parole.

c. In the case of a person sentenced to an extended term pursuant to 2C:43–6c. and 2C:44–3d., the court shall impose a sentence within the ranges permitted by 2C:43–7a.(1), (2), (3), (4) or (5) according to the degree or nature of the crime for which the defendant is being sentenced, which sentence shall include a minimum term which shall be fixed at, or between one-third and one-half of the sentence imposed by the court or 5 years, whichever is greater, during which the defendant shall not be eligible for parole. Where the sentence imposed is life imprisonment, the court shall impose a minimum term of 25 years during which the defendant shall not be eligible for parole.

3. N. J. S. 2C:44–3 is amended to read as follows:

Criteria for sentence of extended term of imprisonment.

2C:44–3. Criteria for Sentence of Extended Term of Imprisonment.

The court may, upon application of the prosecuting attorney, sentence a person who has been convicted of a crime of the first, second or third degree to an extended term of imprisonment if it finds one or more of the grounds specified in this section. If the grounds specified in subsection d. are found, and the person is being sentenced for commission of any of the offenses enumerated in 2C:43–6c., the court shall sentence the defendant to an extended term as required by 2C:43–6c., and application by the prosecutor shall not be required. The finding of the court shall be incorporated in the record.

a. The defendant is a persistent offender. A persistent offender is a person who at the time of the commission of the crime is 21 years of age or over, who has been previously convicted on at least two separate occasions of two crimes, committed at different times,

when he was at least 18 years of age, if the latest in time of these crimes or the date of the defendant's last release from confinement, whichever is later, is within 10 years of the date of the crime for which the defendant is being sentenced.

b. The defendant is a professional criminal. A professional criminal is a person who committed a crime as part of a continuing criminal activity in concert with two or more persons, and the circumstances of the crime show he has knowingly devoted himself to criminal activity as a major source of livelihood.

c. The defendant committed the crime as consideration for the receipt, or in expectation of the receipt, of anything of pecuniary value the amount of which was unrelated to the proceeds of the crime or he procured the commission of the offense by payment or promise of payment of anything of pecuniary value.

d. Second offender with a firearm. The defendant is at least 18 years of age and has been previously convicted of any of the following crimes: 2C:11–3, 2C:11–4, 2C:12–1b., 2C:13–1, 2C:14–2a., 2C:14–3a., 2C:15–1, 2C:18–2, 2C:29–5, 2C:39–4a., or has been previously convicted of an offense under Title 2A of the New Jersey Statutes which is equivalent of the offenses enumerated in this subsection and he used or possessed a firearm, as defined in 2C:39–1f., in the course of committing or attempting to commit any of these crimes, including the immediate flight therefrom.

4. This act shall take effect immediately and shall apply to all sentences for offenses committed on or subsequent to its effective date.

Approved February 12, 1981.

CHAPTER 32

AN ACT concerning the development and enforcement of storm water management plans by every municipality in the State, creating a State aid program, and amending and supplementing the "Municipal Land Use Law," approved January 14, 1976, P. L. 1975, c. 291 (C. 40:55D–1 et seq.).

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

C. 40:55D-93 Storm water management plan; adoption of ordinances.

1. (New section) Every municipality in the State shall prepare a storm water management plan and a storm water control ordinance or ordinances to implement said plan. Such a storm water management plan shall be completed within 1 year from the date of promulgation of comprehensive storm water management regulations by the Commissioner of the Department of Environmental Protection, or by the next reexamination of the master plan required pursuant to section 76 of P. L. 1975, c. 291 (C. 40:55D–89), whichever shall be later, provided that a grant for the preparation of the plan has been made available pursuant to section 6 hereof. The plan shall be reexamined at each subsequent scheduled reexamination of the master plan pursuant thereto. Such a storm water control ordinance or ordinances shall be adopted within 1 year of the completion of the storm water management plan and shall be revised thereafter as needed.

C. 40:55D-94 Master plan; coordination with soil conservation district.

2. (New section) Such a storm water management plan shall be an integral part of any master plan prepared by that municipality pursuant to section 19 of P. L. 1975, c. 291 (C. 40:55D–28). Each municipality shall coordinate such plan with the appropriate soil conservation district established pursuant to chapter 24 of Title 4 of the Revised Statutes and with any storm water management plans prepared by any other municipality or any county, areawide agency or the State relating to the river basins located in that municipality.

C. 40:55D-95 Conformance to statutes, rules and regulations; design; "nonpoint pollution" defined.

3. (New section) A storm water management plan and a storm water management ordinance or ordinances shall conform to all relevant Federal and State statutes, rules and regulations concerning storm water management or flood control and shall be designed: a. to reduce flood damage, including damage to life and property; b. to minimize storm water runoff from any new land development where such runoff will increase flood damage; c. to reduce soil erosion from any development or construction project; d. to assure the adequacy of existing and proposed culverts and bridges; e. to induce water recharge into the ground where practical; f. to prevent, to the greatest extent feasible, an increase in nonpoint pollution; and g. to maintain the integrity of stream channels for their biological functions, as well as for drainage. A storm water management plan shall also include such structural

changes and such additional nonstructural measures and practices as may be necessary to manage storm water. For purposes of this act "nonpoint pollution" means pollution from any source other than from any discernible, confined and discrete conveyance, and shall include, but not be limited to, pollutants from agricultural, silvicultural, mining, construction, subsurface disposal and urban runoff sources.

C. 40:55D-96 Exception from certain requirements of act.

4. (New section) The Commissioner of the Department of Environmental Protection may upon application by any municipality grant an exception from any requirement of section 3 of this supplementary act provided that the commissioner shall determine that such exception will not increase flood damage or nonpoint pollution within or without the municipality.

C. 40:55D-97 Submission of plan by municipalities; approval.

5. (New section) Every municipality shall submit a storm water management plan and implementing ordinances adopted pursuant to this act to the county planning agency or county water resources association, as appropriate. No plan or ordinances shall take effect without approval by said agency or association. Said agency or association shall approve, conditionally approve, or disapprove said plan or ordinances in regard to their compatibility with applicable municipal, county, regional or State storm water management plans. No storm water management plan or ordinances shall be approved which are contrary to recognized storm water management principles. The agency or association shall set forth in writing its reasons for disapproval of any plan or ordinance, or in the case of the issuance of a conditional approval, the agency or association shall specify the necessary amendments to the plan or ordinances. Any plan or ordinance approved pursuant to this section shall take effect immediately. Any plan or ordinance conditionally approved according to this section shall take effect upon the adoption by the governing body of the amendments proposed by the agency or association. Where the agency or association fails to approve, conditionally approve, or disapprove a plan or ordinance within 60 days of receipt of the plan or ordinance, the plan or ordinance shall be considered approved.

C. 40:55D-98 Grants; procedure for application.

6. (New section) The Commissioner of Environmental Protection, subject to available appropriations and grants from other sources, is authorized to make grants to any municipality, county,

county planning agency or county water resources agency or other regional agency authorized to prepare storm water management plans. Any grants to a municipality shall provide 90% of the cost of preparing storm water management plans. The commissioner shall prescribe and promulgate, pursuant to law, procedures for applying for the grant and terms and conditions for receiving the grant.

C. 40:55D-99 Technical assistance and planning grants.

7. (New section) Counties, county planning agencies and county water resources associations shall be authorized to provide technical assistance and planning grants to municipalities to assist in the preparation and revision of municipal storm water management plans and implementing ordinances pursuant to section 1 of this supplementary act.

8. Section 3.1 of P. L. 1975, c. 291 (C. 40:55D–4) is amended to read as follows:

C. 40:55D-4 Definitions.

3.1 "Days" means calendar days.

"Developer" means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

"Development" means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alterations, relocation or enlargement of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to this act.

"Development regulation" means a zoning ordinance, subdivision ordinance, site plan ordinance, official map ordinance or other municipal regulation of the use and development of land, or amendment thereto adopted and filed pursuant to this act.

"Division" means the Division of State and Regional Planning in the Department of Community Affairs.

"Drainage" means the removal of surface water or groundwater from land by drains, grading or other means and includes control of runoff during and after construction or development to minimize erosion and sedimentation, to assure the adequacy of existing and proposed culverts and bridges, to induce water recharge into the

ground where practical, to lessen nonpoint pollution, to maintain the integrity of stream channels for their biological functions as well as for drainage, and the means necessary for water supply preservation or prevention or alleviation of flooding.

"Environmental commission" means a municipal advisory body created pursuant to P. L. 1968, c. 245 (C. 40:56A–1 et seq.).

"Erosion" means the detachment and movement of soil or rock fragments by water, wind, ice and gravity.

"Final approval" means the official action of the planning board taken on a preliminary approved major subdivision or site plan after all conditions, engineering plans and other requirements have been completed or fulfilled and the required improvements have been installed or guarantees properly posted for their completion, or approval conditioned upon the posting of such guarantees.

"Governing body" means the chief legislative body of the municipality. In municipalities having a board of public works, "governing body" means such board.

"Historic site" means any building, structure, area or property that is significant in the history, architecture, archeology or culture of this State, its communities or the Nation and has been so designated pursuant to this act.

"Interested party" means (a) in a criminal or quasicriminal proceeding, any citizen of the State of New Jersey; and (b) in the case of a civil proceeding in any court or in an administrative proceeding before a municipal agency, any person, whether residing within or without the municipality, whose right to use, acquire, or enjoy property is or may be affected by any action taken under this act, or whose rights to use, acquire, or enjoy property under this act, or under any other law of this State or of the United States have been denied, violated or infringed by an action or a failure to act under this act.

"Land" includes improvements and fixtures on, above or below the surface.

"Lot" means a designated parcel, tract or area of land established by a plat or otherwise as permitted by law and to be used, developed or built upon as a unit.

9. Section 3.3 of P. L. 1975, c. 291 (C. 40:55D–6) is amended to read as follows:

C. 40:55D-6 Definitions.

3.3 "Party immediately concerned" means for purposes of notice any applicant for development, the owners of the subject property

and all owners of property and government agencies entitled to notice under section 7.1.

"Performance guarantee" means any security, which may be accepted by a municipality, including cash; provided that a municipality shall not require more than 10% of the total performance guarantee in cash.

"Planned commercial development" means an area of a minimum contiguous size as specified by ordinance to be developed according to a plan as a single entity containing one or more structures with appurtenant common areas to accommodate commercial or office uses or both and any residential and other uses incidental to the predominant use as may be permitted by ordinance.

"Planned development" means planned unit development, planned unit residential development, residential cluster, planned commercial development or planned industrial development.

"Planned industrial development" means an area of a minimum contiguous size as specified by ordinance to be developed according to a plan as a single entity containing one or more structures with appurtenant common areas to accommodate industrial uses and any other uses incidental to the predominant use as may be permitted by ordinance.

"Planned unit development" means an area with a specified minimum contiguous acreage of 10 acres or more to be developed as a single entity according to a plan, containing one or more residential clusters or planned unit residential developments and one or more public, quasi-public, commercial or industrial areas in such ranges of ratios of nonresidential uses to residential uses as shall be specified in the zoning ordinance.

"Planned unit residential development" means an area with a specified minimum contiguous acreage of 5 acres or more to be developed as a single entity according to a plan containing one or more residential clusters, which may include appropriate commercial, or public or quasi-public uses all primarily for the benefit of the residential development.

"Planning board" means the municipal planning board established pursuant to section 14 of this act.

"Plat" means a map or maps of a subdivision or site plan.

"Preliminary approval" means the conferral of certain rights pursuant to sections 34, 36 and 37 of this act prior to final approval

after specific elements of a development plan have been agreed upon by the planning board and the applicant.

"Preliminary floor plans and elevations" means architectural drawings prepared during early and introductory stages of the design of a project illustrating in a schematic form, its scope, scale and relationship to its site and immediate environs.

"Public areas" means (1) public parks, playgrounds, trails, paths and other recreational areas; (2) other public open spaces; (3) scenic and historic sites; and (4) sites for schools and other public buildings and structures.

"Public development proposal" means a master plan, capital improvement program or other proposal for land development adopted by the appropriate public body, or any amendment thereto.

"Public Drainage Way" means the land reserved or dedicated for the installation of storm water sewers or drainage ditches, or required along a natural stream or watercourse for preserving the biological as well as drainage function of the channel and providing for the flow of water to safeguard the public against flood damage, sedimentation and erosion and to assure the adequacy of existing and proposed culverts and bridges, to induce water recharge into the ground where practical, and to lessen nonpoint pollution.

"Public open space" means an open space area conveyed or otherwise dedicated to a municipality, municipal agency, board of education, State or county agency, or other public body for recreational or conservational uses.

"Quorum" means the majority of the full authorized membership of a municipal agency.

"Residential cluster" means an area to be developed as a single entity according to a plan containing residential housing units which have a common or public open space area as an appurtenance.

"Residential density" means the number of dwelling units per gross acre of residential land area including streets, easements and open space portions of a development.

"Resubdivision" means (1) the further division or relocation of lot lines of any lot or lots within a subdivision previously made and approved or recorded according to law or (2) the alteration of any streets or the establishment of any new streets within any subdivision previously made and approved or recorded according to law, but does not include conveyances so as to combine existing lots by deed or other instrument.

10. (New section) No preliminary or final subdivision or site plan approval granted prior to the effective date of this act shall be nullified by this enactment or by any storm water management plan adopted pursuant thereto.

11. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 33

A SUPPLEMENT to "An act for the establishment of a police and firemen's retirement system for police, firemen and certain other law enforcement officers," approved May 23, 1944 (P. L. 1944, c. 255, C. 43:16A–1 et seq.), as said title was amended by P. L. 1976, c. 139.

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

1. Any law to the contrary notwithstanding, any member of the retirement system who while enrolled therein was appointed to the position of undersheriff prior to the enactment of P. L. 1976, c. 134 (C. 43:16A–3.5) and who at the end of such appointment was again employed in a position covered by the retirement system, may purchase prior service credit for the period of time he served as undersheriff by applying to the board of trustees of the retirement system within 90 days following the effective date of this act. Such purchase shall be made on the basis of rates established by the actuary and payment therefor may be made in lump sum or in installments as the board of trustees may provide for by rule or regulation.

2. This act shall take effect immediately and be inoperative on the ninety-first day following enactment.

Approved February 12, 1981.

CHAPTER 34

AN ACT to amend "An act to provide for the creation, setting apart, maintenance and administration of a county employees' pension fund in counties having a population of from 300,000 to 325,000 inhabitants," approved August 12, 1948 (P. L. 1948, c. 310).

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

1. Section 15 of P. L. 1948, c. 310 (C. 43:10–18.64) is amended to read as follows:

C. 43:10-18.64 Applicable provisions.

15. The following provisions shall apply to all members of the retirement system:

(a) (Deleted by amendment; P. L. 1978, c. 127.)

(b) Where a husband and wife are each receiving a pension as a retired employee from any retirement system supported wholly or in part by the county, upon the death of either the husband or the wife, if the survivor is entitled to receive another pension on account of such death, said survivor shall elect to accept one or the other of the two pensions but in no case shall a beneficiary receive more than one pension at the same time.

(c) Where any employee or other beneficiary is entitled to receive two pensions under the provisions of this act, such employees or other beneficiary shall elect to receive one or the other of the two pensions and in no case shall receive more than one pension.

(d) The rights of any employee or beneficiary to receive any payments under the Workmen's Compensation Act of New Jersey shall not be affected or impaired by any of the provisions of this act.

(e) Where the service of an employee is terminated by reason of imposition of a sentence upon him of actual commitment to a penal institution on account of conviction of an indictable offense involving moral turpitude, no pension under this act shall be paid to any such employee; provided, however, that no member of this retirement system who shall have served honorably as a county employee for a period of 20 years and shall have attained the age of 55 years shall be deprived of his pension privileges because of any violation of the rules and regulations established for the

government of such county employment, but he may be fined, reprimanded or discharged.

(f) Where any pension or other benefit shall be payable from the pension fund herein provided to any retired employee or other beneficiary who is or shall be confined in a penal institution as the result of a conviction of a crime involving moral turpitude, the pension commission may pay such pension or any part of it or other benefit to the wife, husband, minor children, mother or father of the confined person if it determines the same is necessary for their maintenance during such confinement.

(g) All payments of pensions shall be made semimonthly. Payments of pensions, refunds or other benefits under this act shall be made without interest.

(h) Upon and after the adoption of this act the benefits hereunder shall not extend to the widow or widower of any county employee who shall remarry, or shall have married such employee after such employee has retired or attained the age of 50 years, nor to any children of such marriage, but benefits shall extend to the widow or widower of a county employee who marries or shall have married the employee after the employee has attained the age of 50 years, provided the employee remains in the employment of the county and an active member of the fund for at least 5 years after such marriage.

(i) Persons who may become entitled to pensions under this act shall be paid on the first and fifteenth day of each month, or at the same time as all persons permanently employed by the county.

2. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 35

AN ACT concerning facilities for the physically handicapped in public buildings amending and supplementing P. L. 1971, c. 269; and amending P. L. 1975, c. 220 and P. L. 1975, c. 217.

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

1. Section 2 of P. L. 1971, c. 269 (C. 52:32–5) is amended to read as follows:

C. 52:32-5 Regulations.

2. The Department of Community Affairs shall promulgate regulations which shall prescribe the kinds, types and quality of such facilities for the physically handicapped.

2. Section 3 of P. L. 1975, c. 220 (C. 52:32–6) is amended to read as follows:

C. 52:32-6 Definitions.

3. As used in this act:

a. "Public building" means any building, structure, facility or complex used by the general public, including, but not limited to, theaters, concert halls, auditoriums, museums, schools, libraries, recreation facilities, public transportation terminals and stations, factories, office buildings, business establishments, passenger vehicle service stations, shopping centers, hotels or motels, and public eating places, constructed by any State, county or municipal government agency or instrumentality or any private individual, partnership, association or corporation, with the following exceptions: one- to four-family private residences; warehouse storage areas; and all buildings classified as hazardous occupancies. As used herein, "hazardous occupancy" means the occupancy or use of a building or structure or any portion thereof that involves highly combustible, highly flammable, or explosive material, or which has inherent characteristics that constitute a special fire hazard.

b. "Physical handicap" means a physical impairment which confines a person to a wheelchair; causes a person to walk with difficulty or insecurity; affects the sight or hearing to the extent that a person functioning in public areas is insecure or exposed to danger; causes faulty coordination; or reduces mobility, flexibility, coordination and perceptiveness to the extent that facilities are needed to provide for the safety of that person.

c. "Remodel" means, with respect to an existing public building as defined in this act, to construct an addition, alter the design or layout of said public building so that a change or modification of the entrance facilities, toilet facilities, or vertical access facilities is achieved, or make substantial repairs or alterations.

d. "Office building" means a building or structure of more than 10,000 square feet of gross floor area wherein commercial or business activity or service is performed or a profession is practiced, or wherein any combination thereof is performed or practiced in all or the majority of such building or structure.

e. (Deleted by amendment.)

f. "Enforcing agency" means the municipal construction official and subcode officials provided for in the "State Uniform Construction Code Act" (P. L. 1975, c. 217; C. 52:27D–119 et seq.).

3. Section 4 of P. L. 1975, c. 220 (C. 52:32–7) is amended to read as follows:

C. 52:32-7 Administration and enforcement of act.

4. The administration and enforcement of this act shall be in accord with the "State Uniform Construction Code Act" (P. L. 1975, c. 217; C. 52:27D–119 et seq.) and regulations promulgated thereunder.

4. Section 5 of P. L. 1975, c. 220 (C. 52:32–8) is amended to read as follows·

C. 52:32-8 Exceptions from specific requirements of standards and specifications.

5. In cases of practical difficulty, the enforcing agency may grant exceptions from the specific requirements of the standards and specifications required by this act or permit the use of other methods or materials, but only when it is clearly evident that equivalent facilitation and protection for the physically handicapped are thereby secured.

5. Section 6 of P. L. 1975, c. 220 (C. 52:32–9) is amended to read as follows:

C. 52:32-9 Exceptions.

6. Exceptions based on practical difficulty or unnecessary hardship shall apply to the specific requirement in question, and shall not extend to all requirements of the standards and specifications mandated by this act.

6. Section 7 of P. L. 1975, c. 220 (C. 52:32–10) is amended to read as follows:

C. 52:32-10 Certificate of use or occupancy; issuance.

7. No certificate of use or occupancy shall be issued by any enforcing agency for any public building constructed or remodeled in the State unless and until said public building complies with the requirements of this act, except as provided in sections 5 and 6 hereof.

7. Section 7 of P. L. 1975, c. 217 (C. 52:27D–125) is amended to read as follows:

C. 52:27D-125 Code advisory board.

7. Code advisory board.

a. To assist and advise the commissioner in the administration of this act there is hereby created in the Department of Community Affairs a code advisory board to consist of 15 citizens to be appointed by the commissioner for a term of 4 years. The board shall consist of: one architect registered in the State of New Jersey; two professional engineers licensed by the State of New Jersey, one of whom shall be a mechanical engineer and one of whom shall be a structural engineer; one municipal building official; one member of the building industry in the State of New Jersey; one public health official in the State of New Jersey; one licensed plumbing inspector in the State of New Jersey; one licensed electrical inspector in the State of New Jersey; one fire prevention inspector in the State of New Jersey and six members of the public, two of whom shall be experienced in representing consumers and one of whom shall be a representative of the handicapped who shall serve as chairman of the subcode committee on the handicapped. The initial appointment of the representative of the handicapped shall be used to fill the first vacancy among the public members of the code advisory board occurring on or after the effective date of this amendatory and supplementary act. Of the 13 members first appointed the commissioner shall designate the appointees' terms so that three shall be appointed for terms of 1 year, three for terms of 2 years, three for terms of 3 years and four for terms of 4 years, and that the two additional members first appointed by the commissioner pursuant to this amendatory act shall be appointed for 2 years and 3 years respectively with such terms to be computed from February 4, 1976. Thereafter, members of the code advisory board shall be appointed for terms of 4 years.

b. Code advisory board members shall serve without compensation but shall be entitled to reimbursement for expenses incurred in performance of their duties. Vacancies on the advisory board shall be filled for the unexpired term. Members may be removed by the commissioner for cause.

c. The code advisory board shall appoint a committee for each subcode and, should a subcode therefor not be adopted, for supplements to or revisions of the barrier free design provisions of any model code adopted pursuant to section 5 of this act. Each such committee shall consist of one member of the code advisory board, who shall be chairman, and at least four citizens who are experienced and knowledgeable in matters related to the particular

subcode. Each committee shall advise and assist the code advisory board in the performance of its responsibilities under this act for the subcode in question. Committee members shall serve without compensation and at the pleasure of the code advisory board.

8. (New section) Any regulations concerning facilities for the handicapped adopted prior to the effective date of this amendatory and supplementary act by the Department of the Treasury pursuant to P. L. 1971, c. 269 shall remain in effect until revised or amended by the Commissioner of the Department of Community Affairs.

9. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 36

AN ACT to amend and supplement "An act concerning motor vehicles, and supplementing Title 39 of the Revised Statutes," approved May 28, 1949 (P. L. 1949, c. 280).

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

1. Section 1 of P. L. 1949, c. 280 (C. 39:4–204) is amended to read as follows:

C. 39:4-204 "Handicapped person" defined.

1. The term "handicapped person" as employed herein shall include any person who has lost the use of one or more limbs as a consequence of paralysis, amputation, or other permanent disability or who is permanently disabled as to be unable to ambulate without the aid of an assisting device or whose mobility is otherwise limited as certified by a physician with a plenary license to practice medicine and surgery in this State or bordering state.

2. Section 2 of P. L. 1949, c. 280 (C. 39:4–205) is amended to read as follows:

C. 39:4-205 Handicapped person identification cards; revocation; validity.

2. The Director of the Division of Motor Vehicles in the Department of Law and Public Safety shall issue, at the expense of the State of New Jersey, handicapped person identification cards upon the application of qualifying handicapped persons, as heretofore

defined, and after due investigation of the qualifying status of each applicant. Said card shall, amongst other things, identify the handicapped person and the registration number of the vehicle for which any wheelchair symbol license plates have been issued under the provisions of section 3 of this act and shall state that he is a handicapped person validly qualified hereunder to receive such card, that said card is for the exclusive use of the person to whom it has been duly issued, is nontransferable and will be forfeited if presented by any other person, and that any abuse of any privilege, benefit, precedence or consideration granted to any person to whom such card may be issued will be sufficient cause for revocation of said card, corresponding windshield placard and wheelchair symbol license plates, and the same may be forfeited or revoked accordingly, and in the absence of any such forfeiture or revocation said card shall be valid indefinitely.

3. Section 3 of P. L. 1949, c. 280 (C. 39:4–206) is amended to read as follows:

C. 39:4-206 Display of placard; issuance; fee; license plates; issuance; fee.

3. The director shall issue to such applicant, also a placard of such size and design as shall be determined by the director in consultation with the Division of Vocational Rehabilitation Services in the Department of Labor and Industry, indicating that a handicapped person identification card has been issued to the person designated therein, which shall be displayed in such manner as the director shall determine on the motor vehicle used to transport the handicapped person when the vehicle is parked overtime or in special parking places established for use by handicapped persons.

Notwithstanding any provision of this act to the contrary, the chief of police of each municipality in this State shall issue to any person who has temporarily lost the use of one or more limbs or is temporarily disabled as to be unable to ambulate without the aid of an assisting device or whose mobility is otherwise temporarily limited as certified by a physician with a plenary license to practice medicine and surgery in this State or a bordering state, a temporary placard of not more than 6 months' duration. The placard may, however, be renewed one time at the discretion of the issuing authority for a period of not more than 6 months' duration. The placard shall be displayed on the motor vehicle used by the temporarily handicapped person within the respective municipality, when the vehicle is parked overtime or in special parking places established for use by handicapped persons.

The fee for the issuance of such temporary or permanent placard issued pursuant to this section shall be $4.00 and payable to the Director of the Division of Motor Vehicles.

The director may, in addition, issue license plates bearing the national wheelchair symbol for not more than two motor vehicles owned, operated or leased by a handicapped person or by any person furnishing transportation on his behalf.

The fee for the issuance of such plates shall be $10.00 for each vehicle.

4. Section 4 of P. L. 1949, c. 280 (C. 39:4–207) is amended to read as follows:

C. 39:4-207 Parking overtime.

4. No penalty shall be imposed for the parking overtime of any motor vehicle which has displayed thereon a placard or wheelchair symbol license plates issued pursuant to the provisions of this act under any law or municipal ordinance now in effect or hereafter enacted unless such vehicle shall have been parked in one location for more than 24 hours.

C. 39:4-207.1 Rules and regulations.

5. (New section) The Director of the Division of Motor Vehicles shall promulgate rules and regulations necessary to effectuate the purposes of this act.

6. (New section) The fees established hereinabove are appropriated to the Division of Motor Vehicles to fund the additional costs incurred in making such plates available.

7. This act shall take effect on the one hundred eightieth day following enactment.

Approved February 12, 1981.

CHAPTER 37

AN ACT to amend "An act concerning loans made by banks and supplementing 'An act concerning banking and banking institutions' (Revision of 1948), approved April 29, 1948 (P. L. 1948, c. 67)," approved June 11, 1959 (P. L. 1959, c. 91) and amending P. L. 1968, c. 64.

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

1. Section 1 of P. L. 1959, c. 91 (C. 17:9A–59.1) is amended to read as follows:

C. 17:9A-59.1 Loans authorized; prepaymtnt.

1. A. Subject to the provisions of this act, a bank may lend money to a borrower by advancing funds to or for the account of the borrower pursuant to the borrower's written authorizations. Such authorizations may take the form of checks drawn on the bank by the borrower, notwithstanding that the borrower has no funds, or has insufficient funds on deposit in the bank out of which such checks may be paid, or they may take such other form as the bank and the borrower agree upon. Loans made pursuant to this act are referred to in this act as "advance loans" and persons to whom advance loans are made are referred to as "advance loan borrowers." Accounting periods, referred to in this act as "billing cycles," shall not vary more than 4 days from 1 month in duration and the billing date shall not vary more than 4 days from the billing date of the immediately preceding billing cycle. The term "monthly" shall refer in this act to the billing cycle and need not refer to a calendar month.

B. Nothing in this act shall apply to loans otherwise authorized by law or enforceable at law.

C. A borrower may at any time prepay in part or in full the amount owing on advance loans, without penalty or prepayment charge.

2. Section 2 of P. L. 1959, c. 91 (C. 17:9A–59.2) is amended to read as follows:

C. 17:9A-59.2 Contract required; contents.

2. A. No advance loan shall be made except pursuant to a written contract, referred to in this act as an "advance loan contract," between the bank and a borrower or borrowers. An advance loan contract shall become effective when an agreement is signed by the advance loan borrower or when the advance loan borrower or someone authorized by the advance loan borrower effects an advance loan in the manner provided by section 1 of this act. The advance loan contract may contain such provisions, not inconsistent with this act or otherwise prohibited by law, which the bank and the borrower may agree upon, but each such contract shall state:

(a) The amount, exclusive of interest, insurance premiums and other charges, in which the borrower may be indebted to the bank at any one time upon all advance loans made pursuant to one or more advance loan contracts entered into between the bank and such borrower or borrowers;

(b) The number of days or the period, if any, after the closing date of the billing cycle within which payments are required to be made on advance loans;

(c) The amount of each payment required to be made monthly on advance loans. Such amount may be stated in terms of dollars and cents, or in any other terms consistent with the limitations imposed by section 5 of this act;

(d) The rate of interest payable on such loans;

(e) If late charges are to be made on installments in arrears, the amount of the charge which will be imposed, subject to the limitations contained in section 7; and

(f) If service charges are to be made on advance loans, the amount of the charge which will be imposed, subject to the limitation contained in section 8.

B. When an advance loan contract provides that the bank will make advance loans to a depositor for the purpose of covering overdrafts in an account maintained in the bank by the depositor, the contract shall also provide how the amount of such loans shall be determined when overdrafts occur. The advance loan contract may provide that the amount of the advance loan shall equal the amount by which the account is overdrawn, or it may provide that, when the amount of the overdraft is not in a sum equal to an even multiple of $100.00, or an even multiple of such other sum, less than $100.00, as the contract may prescribe, the amount of the loan shall equal the nearest even multiple of $100.00, or the nearest even multiple of such other sum, less than $100.00, as the contract may prescribe, which is greater than the amount of such overdraft.

C. If the bank has adopted a program pursuant to which either or both credit life insurance and credit accident and health insurance may be applied for on behalf of advance loan borrowers, and, if an advance loan borrower requests in writing that either or both such insurances be obtained, the contract shall so indicate. If the contract provides that more than one person may borrow under its provisions, the contract shall state the name of the person to be covered by such insurance. Nothing herein shall be construed as requiring that a bank undertake to make such insurance available to advance loan borrowers.

D. No advance loan contract, and no instrument executed in connection therewith, shall contain any power to confess judgment or provide that payment of the advance loan shall be accelerated because the bank deems itself insecure.

3. Section 3 of P. L. 1959, c. 91 (C. 17:9A–59.3) is amended to read as follows:

C. 17:9A-59.3 Each authorization made to be evidence of loan.

3. Each authorization made by an advance loan borrower, evidenced in any manner provided in a contract between the bank and such borrower, and honored by the bank as provided in section 1 of this act shall be evidence of a loan made by the bank to the advance loan borrower in the amount advanced by the bank. Each authorization so honored shall constitute an advance loan, and the date on which the bank honors the authorization shall be the date of the advance loan.

4. Section 4 of P. L. 1959, c. 91 (C. 17:9A–59.4) is amended to read as follows:

C. 17:9A-59.4 Statement to borrower; contents.

4. A. For each billing cycle at the end of which there is an outstanding balance on any advance loan made pursuant to a particular advance loan contract, the bank shall render a statement to the borrower which shall show, with respect to all advance loans made pursuant to such contract:

(a) The aggregate balance outstanding on all advance loans at the beginning of the billing cycle;

(b) The amount and date of each advance loan made during such cycle;

(c) The amount of the payments on such loan received by the bank during such cycle;

(d) The amount of all charges made by the bank during such cycle, specifying the nature of each charge; provided that, when there is more than one charge in any category of charges, an aggregate amount may be shown for each such category;

(e) The amount upon which the interest was computed for such cycle;

(f) The aggregate balance owing on all advance loans at the end of such cycle;

(g) The amount required to be paid to keep the borrower's account current; and

(h) The date by which or the period, if any, within which payment must be made.

Such statement shall contain a notice set in conspicuous type in form as follows: "This statement represents an accounting between the bank and you. If there is an error in it, call it to the bank's attention promptly in writing. Failure to do so within 3 months from the date of this statement may bar your right to have the error corrected." If the notice is placed on the reverse side of the statement, the face of the statement shall bear the following legend in conspicuous type: "See the reverse side of this statement for an important notice in respect to your rights," or "NOTICE: See reverse side for important information." "Conspicuous type" as used herein means type which affords notice in compliance with applicable Federal truth-in-lending statutes and regulations.

B. If, pursuant to an advance loan contract, more than one type of advance loan may be made to a borrower, separate statements may, in the bank's discretion, be rendered by the bank to the borrower in respect to all advance loans of the same type, or a single statement may be rendered in respect to all advance loans made pursuant to such contract regardless of type. The bank may, at its option, use different billing cycles for different types of advance loans made to a borrower. For the purposes of this act, advance loans made pursuant to a particular advance loan contract shall be treated as separate types from those made pursuant to another advance loan contract.

C. If two or more persons are authorized to borrow under the same advance loan contract, the contract may designate one of such persons as the one to whom statements shall be rendered. In the absence of such a designation, statements shall be rendered to each of such persons, except that a single statement may be rendered to all such persons who have the same address.

D. The rendering of a statement by a bank to an advance loan borrower pursuant to this section shall constitute an accounting by the bank to all borrowers under the same advance loan contract. Such accounting shall, after 3 months from its rendition, be conclusively presumed to be correct, and the borrower or borrowers and all those claiming through him or them shall thereafter be barred from questioning it for any cause, unless, before the expiration of the 3-month period, a borrower, or someone claiming through him gives notice by certified mail to the bank questioning

the correctness of the accounting. When such notice is given, the accounting shall, after the lapse of 1 year from the date on which such notice is given, be conclusively presumed to be correct, and the borrower or borrowers and all those claiming under him or them shall thereafter be barred from questioning it for any cause, unless, within such 1-year period, an action is begun by a borrower or someone claiming through him in which the correctness of the account may be determined.

5. Section 5 of P. L. 1959, c. 91 (C. 17:9A–59.5) is amended to read as follows:

C. 17:9A-59.5 Payments on monthly basis.

5. A. The amount of the payment required to be made on advance loans made to a particular borrower in reduction thereof shall at least equal 1/72nd of the aggregate amount owing at the end of a billing cycle by such borrower on each advance loan contract between bank and borrower. No monthly payment shall be in an amount less than $10.00 on each advance loan contract between bank and borrower unless the amount owing at the end of a billing cycle is less than $10.00 with respect to the particular contract, in which case the amount of the payment shall be the amount owing. Nothing in this subsection shall be construed as preventing a bank from rendering separate statements using different billing cycles as provided in subsection B. of section 4 of this act.

B. Unless the contract provides otherwise, monthly payments shall be applied in the following order: (1) to interest; (2) to premiums on credit life or credit accident and health insurance, or both; (3) to late charges imposed pursuant to section 7 of this act; (4) to service charges imposed pursuant to section 8 of this act; and (5) to principal.

6. Section 6 of P. L. 1959, c. 91 (C. 17:9A–59.6) is amended to read as follows:

C. 17:9A-59.6 Rate of interest specified.

6. A. The rate of interest contracted for or received by a bank on advance loans shall not exceed 1% per month when calculated on a monthly basis, and, 0.333% per day when calculated on a daily basis, on the daily principal balances outstanding on all advance loans made pursuant to each advance loan contract between the bank and such borrower except that the commissioner may by regulation provide that the rate of interest contracted or received by a bank on advance loans may be more than 1% per month but

not more than 2% per month when calculated on a monthly basis, and may exceed .0333% per day but not exceed 0.67% per day when calculated on a daily basis. In adopting regulations pursuant to the subsection, the commissioner shall consider the general state of the economy, the discount rates prescribed by the Federal Reserve Bank of New York and the Federal Reserve Bank of Philadelphia, the availability of funds for loans, studies and statistics published by the Federal Reserve System, Federal Deposit Insurance Corporation and other agencies of the United States and of this State, and such other factors and bases for determination as the commissioner and the board may deem pertinent. The rate established by any regulation shall reasonably reflect prevailing market conditions, regionally and nationally, based upon the studies, statistics and factors considered.

Interest may be reckoned according to any method authorized by section 31:1–1 of the Revised Statutes. For the purposes of this section the term "daily principal balances outstanding" means an amount not to exceed the amount produced by adding the principal amounts unpaid for each day of the billing cycle, after reflecting advance loans made that day, payments received and posted to the borrower's account that day, credits received and posted to the borrower's account that day, and other adjustments made and posted to the borrower's account that day, and dividing such sum by the number of days in the billing cycle.

B. For the purposes of this section, charges for premiums advanced by the bank for credit life insurance, or credit accident and health insurance, or both, shall be treated as part of the principal balance owing on an advance loan, but no such charge shall be included in determining the maximum permissible indebtedness as limited by section 11 of this act.

7. Section 7 of P. L. 1959, c. 91 (C. 17:9A–59.7) is amended to read as follows:

C. 17:9A-59.7 Late charges; default; collection fee; schedule; applicability of provisions.

7. A. If any payment on an advance loan remains unpaid for a period of more than 15 days after such payment falls due pursuant to a contract between the bank and the borrower governing such loan, the bank may make and collect a late charge in such amount as may be provided for in such contract between the bank and the borrower, but no such late charge shall exceed 5% of the amount of the payment so in default, or $5.00, whichever is the

lesser, and not more than one late charge shall be made on any one payment in arrears.

B. Upon institution of proceedings for the collection of an advance loan in default, a bank may charge a collection fee, in addition to court costs, according to the following schedule:

(a) on the first $750.00 of indebtedness, 15%;

(b) on the excess over $750.00, 10%, but in no case shall such collection fee exceed $500.00.

C. When there is in effect more than one advance loan contract between the bank and a particular borrower, the provisions of this section shall apply to each contract individually and not to all advance loan contracts collectively.

8. Section 8 of P. L. 1959, c. 91 (C. 17:9A–59.8) is amended to read as follows:

C. 17:9A-59.8 Service charges.

8. In addition to the other charges which are authorized to be made by this act, a bank may collect a service charge from each advance loan borower for each billing cycle in which any part of an advance loan remains unpaid. Such service charge shall not exceed a sum equal to (a) the number of advance loans to such borrower during such billing cycle multiplied by $0.25 or (b) the number of advance loan contracts between the bank and the borrower multiplied by $0.50, whichever is the greater.

9. Section 10 of P. L. 1959, c. 91 (C. 17:9A–59.10) is amended to read as follows:

C. 17:9A-59.10 Security.

10. A. A bank which maks an advance loan shall not, prior to default in such loan, take any kind of security therefor except an interest in tangible personal property.

B. Nothing in this act shall be construed as prohibiting a bank from obtaining or providing credit life insurance or credit accident and health insurance, or both, for a borrower's benefit and at the borrower's written request.

10. Section 11 of P. L. 1959, c. 91 (C. 17:9A–59.11) is amended to read as follows:

C. 17:9A-59.11 Limits of liability of borrower to bank.

11. No bank shall make any advance loan for the payment of which any person shall be liable in any capacity to the bank if the making of such loan would cause the liability in any capacity

of such person to the bank on all advance loans to exceed $15,000.00, exclusive of interest, insurance premiums and other charges.

11. Section 14 of P. L. 1968, c. 64 (C. 17:9A–59.16) is amended to read as follows:

C. 17:9A-59.16 Contract with merchants to guarantee payment of certain checks.

14. A bank which enters into a contract with a borrower to make advance loans pursuant to the act of which this act is amendatory and supplementary may contract with merchants to guarantee to them the payment of checks which are drawn on it by advance loan borrowers. A guarantee so made shall not be deemed to be a violation of section 213.1 of "An Act concerning banking and banking institutions" (Revision of 1948), approved April 29, 1948 (P. L. 1948, c. 67).

12. Section 14 of P. L. 1959, c. 91 (C. 17:9A–59.14) is amended to read as follows:

C. 17:9A-59.14 "Bank" defined.

14. As used in this act, "bank" includes banking institutions as defined in section 1 of P. L. 1948, c. 67 (C. 17:9A–1).

13. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 38

AN ACT concerning motor vehicles and traffic regulations and amending R. S. 39:3–40.

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

1. R. S. 39:3–40 is amended to read as follows:

Operation of motor vehicle during period of refusal, suspension or revocation; violation of act.

39:3–40. No person to whom a driver's license has been refused or whose driver's license or reciprocity privilege has been suspended or revoked, or who has been prohibited from obtaining a driver's license, shall personally operate a motor vehicle during the period of refusal, suspension, revocation, or prohibition.

No person whose motor vehicle registration has been revoked shall operate or permit the operation of such motor vehicle during the period of such revocation.

A person violating any provision of this section shall be fined not less than $200.00 nor more than $1,000.00, or be imprisoned in the county jail for not more than 6 months, or both; provided, that if while operating a vehicle in violation of this section, such person is involved in an accident resulting in personal injury, the punishment shall include imprisonment for not less than 45 days. A period of suspension or revocation during which a person was prohibited from operating a motor vehicle may be extended or imposed for an additional period not to exceed 6 months.

2. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 39

AN ACT concerning higher education in relation to certain annuities, and amending P. L. 1969, c. 242.

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

1. Section 24 of P. L. 1969, c. 242 (C. 18A:66–190) is amended to read as follows:

C. 18A:66-190 Authority to enter into agreements for annuity purchases; method of payment; limitations.

24. The Board of Trustees of the New Jersey College of Medicine and Dentistry, the Board of Governors of Rutgers, The State University, the Board of Trustees of the New Jersey Institute of Technology and the Board of Higher Education on behalf of the Department of Higher Education, the State and county colleges, are hereby authorized to enter into agreement with each employee participating in the alternate benefit program whereby the employee agrees to take a reduction in salary with respect to amounts earned after the effective date of such agreement in return for the agreement of the respective institution to use a corresponding amount to purchase an annuity for such employee so as to obtain the benefits afforded under section 403(b) of the Federal Internal

Revenue Code, as amended. Any such agreement shall specify the amount of such reduction, the effective date thereof, and shall be legally binding and irrevocable with respect to amounts earned while the agreement is in effect; provided, however, that such agreement may be terminated after it has been in effect for a period of not less than 1 year upon notice in writing by either party, and provided further that not more than one such agreement shall be entered into during any taxable year of the employee. For the purposes of this section, any annuity or other contract which meets the requirements of section 403(b) of the Federal Internal Revenue Code, as amended, may be utilized. The amount of the reduction in salary under any agreement entered into between the institutions and any employee pursuant to this section shall not exceed the limitations set forth in P. L. 93–406 (Employment Retirement Income Security Act of 1974) and Section 415(c) of the Internal Revenue Code of 1954 as amended for such year.

2. This act shall take effect immediately.

Approved February 12, 1981.

CHAPTER 40

AN ACT to amend the "New Jersey Public Transportation Act of 1979," approved July 17, 1979 (P. L. 1979, c. 150).

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

1. Section 16 of P. L. 1979, c. 150 (C. 27:25–16) is amended to read as follows:

C. 27:25-16 Exercise of powers; exemption from taxation; in lieu payments.

16. The exercise of the powers granted by this act shall be in all respects for the benefit of the people of the State, and since the improvement, operation, and maintenance of public transportation services by the corporation constitute the performance of essential governmental functions, neither the corporation nor any wholly owned business corporation or other entity shall be required to pay taxes or assessments upon any public transportation project or any property acquired or used under the provisions of this act, including but not limited to, sales taxes, real property taxes or

assessments, corporate franchise taxes or income taxes. However, any property owned by the corporation or any wholly owned business corporation or other entity shall be considered "State" property as defined in P. L. 1977, c. 272 (C. 54:4–2.2a), and shall be subject to the in lieu tax payments provided in that act. In order that municipalities not suffer the loss of taxes by reason of the acquisition of property during 1980 by the corporation or any wholly owned business corporation or other entity under the provisions of this act, the corporation shall pay annually in two installments, May 1 and November 1, to each municipality, beginning in tax year 1981, a sum equal to the taxable value of the property, as determined for the tax year 1981, multiplied by the 1981 general tax rate for the municipality where the property is located.

2. This act shall take effect immediately.

Approved February 18, 1981.

CHAPTER 41

AN ACT to amend the "New Jersey Public Purpose Buildings Construction Bond Act of 1980," approved September 22, 1980 (P. L. 1980, c. 119).

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

1. Section 7 of P. L. 1980, c. 119 is amended to read as follows:

7. The Governor, State Treasurer and Comptroller of the Treasury, or any two such officials (hereinafter referred to as "the issuing officials") are hereby authorized to carry out the provisions of this act relating to the issuance of the bonds, and shall determine all matters in connection therewith subject to provisions hereof. In case any of said officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by such person as shall be authorized by law to act in his place as a State official.

The issuing officials may, on behalf of the State, covenant with the holders of the bonds that the proceeds of one or more issues

of the bonds will not be devoted to one or more uses which are otherwise permitted by this act. Any covenant shall be set forth in the text of the bonds of any issue to which the covenant is applicable.

2. This act shall take effect immediately.

Approved February 18, 1981.

CHAPTER 42

AN ACT to validate certain proceedings of school districts and any bonds or other obligations issued or to be issued pursuant to such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district or at any school district election for the authorization or issuance of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued in pursuance of a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that the adoption of such proposal authorized the board of education to issue bonds, the principal amount of which, when added to the amount of all bonds and notes of the school district then issued and outstanding or authorized but unissued less the amount of any sinking funds held for payment of the same, exceed any limitation or other restriction prescribed by N. J. S. 18A:24–19 and such proposal did not disclose or correctly disclose the effect thereof on the borowing margin of any municipality comprised within the school district in compliance with the provisions of N. J. S. 18A:24–20 and N. J. S. 18A:24–22; provided, however, that a supplemental debt statement shall have been made, sworn to, and filed in the places required by N. J. S. 18A:24–16 and N. J. S. 18A:24–17 prior to the issuance of such bonds; and provided further, that no action, suit or other proceeding of any nature to contest the validity of such election has heretofore been instituted prior to the date upon which this act takes effect and within the time fixed therefor by or pursuant to

law or rule of court, or when such time has not heretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved February 18, 1981.

CHAPTER 43

AN ACT to amend the title of "An Act establishing a New Jersey State Council on the Arts in the Department of State and making an appropriation therefor," approved July 29, 1966 (P. L. 1966, c. 214), so that the same shall read "An Act establishing a New Jersey State Council on the Arts in the Department of Education and making an appropriation therefor," and to amend and supplement the body of said act.

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

1. The title of P. L. 1966, c. 214 is amended to read as follows:

Title amended.

AN ACT establishing a New Jersey State Council on the Arts in the Department of Education and making an appropriation therefor.

2. Section 1 of P. L. 1966, c. 214 (C. 52:16A–25) is amended to read as follows:

C. 52:16A-25 Council on the Arts; establishment; membership; terms; vacancies; expenditures; compensation.

1. There is hereby established in the Department of Education the New Jersey State Council on the Arts to be referred to hereafter as the council.

The council shall consist of 15 members, to be appointed by the Governor with the advice and consent of the Senate from among citizens of New Jersey or persons otherwise associated with the State who are known for their competence and experience in connection with the performing and creative arts.

The term of office of each member shall be 3 years; provided that of the members first appointed, five shall be appointed for

terms of 1 year, five for terms of 2 years, and five for terms of 3 years. All vacancies shall be filled for the balance of the unexpired term only, in the same manner as original appointments. The members of the council shall not receive any compensation for their services, but shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties as members of the council.

C. 18A:73A-1 Council transferred.

3. (New section) The New Jersey State Council on the Arts in the Department of State, together with its functions, powers and duties, is transferred to the Department of Education.

C. 18A:73A-2 Continuation of terms of present members.

4. (New section) The present members of the council shall continue in office for terms to which they were appointed.

C. 18A:73A-3 Applicability of "State Agency Transfer Act."

5. (New section) The transfer directed by this act shall be made in accordance with the "State Agency Transfer Act," P. L. 1971, c. 375 (C. 52:14D–1 et seq.).

6. This act shall take effect immediately.

Approved February 18, 1981.

CHAPTER 44

A Supplement to "An act relating to the transportation system of the State and making appropriations therefor", approved April 15, 1980 (P. L. 1980, c. 21).

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

1. There is appropriated out of the Transportation Rehabilitation and Improvement Fund of 1979 established in section 15 of the "New Jersey Transportation Rehabilitation and Improvement Bond Act of 1979" (P. L. 1979, c. 165), the sum of $24,000,000.00 to be distributed pursuant to the provisions of subsection b. of section 4 of P. L. 1980, c. 21 and for the purposes of subsection b. of section 7 of P. L. 1980, c. 21.

2. This act shall take effect immediately.

Approved February 18, 1981.

CHAPTER 45

AN ACT concerning the release of information on fire losses by insurers to authorized agencies.

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

C. 17:36-14 Definitions.

1. For the purposes of this act:

a. "Authorized agency" means any law enforcement agency or agency or instrumentality of this State, county or municipality or of the Federal Government which is charged with the responsibility of investigating fires;

b. "Relevant information" means any information having any tendency in reason to prove any material fact;

c. "Insurer" means any domestic, foreign, or alien insurer or surplus lines insurer, and the New Jersey Insurance Underwriting Association created pursuant to P. L. 1968, c. 129 (C. 17:37A–1 et seq.).

C. 17:36-15 Release of information on fire losses.

2. An authorized agency may request in writing that an insurer release to it any information which is relevant to a loss by fire of real or personal property which is under investigation by the agency. The insurer shall release the information to and cooperate with the authorized agency requesting the information as permitted by this act. Such information may include, but not be limited to:

a. Pertinent insurance policy information relevant to a fire loss under investigation and any application for such a policy;

b. Policy premium payment records;

c. History of previous claims made by the insured;

d. Material relating to the investigation of the loss, including statements of any person, proof of loss, and any other evidence relevant to the investigation.

C. 17:36-16 Notification of prosecutor.

3. When an insurer has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, the insurer shall, for the purpose of notification and for having such fire loss investigated, notify the county prosecutor of the county wherein the fire occurred and provide the county prosecutor with any or all material developed from the company's inquiry into the fire loss.

The county prosecutor shall furnish the information requested to the authorized agency responsible for the investigation of the fire.

C. 17:36-17 No liability absent actual malice.

4. An insurer, or a person acting on its behalf shall not be held liable in any civil proceeding for any statement made or action required by this act where actual malice on the part of the insurer or its representative is not present.

C. 17:36-18 Disclosure to authorized agency.

5. a. Any authorized agency which has obtained information from any insurer pursuant to this act may disclose such information to any authorized agency of this or another state, or of the United States to the extent that such disclosure or use is relevant to a loss by fire of real or personal property which is under investigation by the agency.

b. The information obtained may otherwise be disclosed only for use in a civil or criminal proceeding as ordered by the court.

C. 17:36-19 Right to request and receive relevant information.

6. Any insurance company providing information to an authorized agency or agencies pursuant to this act shall, with respect to a civil action, have the right to request relevant information and receive, within a reasonable time, not to exceed 30 days, the information requested, provided that the information is not otherwise privileged by law.

C. 17:36-20 Testimony may be required.

7. Any authorized agency or its personnel may be required to testify in any litigation in which the insurer at interest is named as a party.

C. 17:36-21 Violators subject to penalties.

8. A person who knowingly:

a. Refuses to release information,

b. Fails to notify the county prosecutor of a fire loss of which there is reason to believe that it was caused by other than accidental means, or

c. Fails to hold information in confidence, as required by this act, is liable to a penalty of not more than $250.00, which may be collected or enforced in a summary manner under "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.). The proceedings may be brought by authorized agency which has not received information or has not been notified regarding a fire loss, or an insurer or person which has been injured by a failure to keep information

confidential, or the State. If a money judgment is rendered against the defendant, it shall be paid to the plaintiff. A reasonable and good faith effort to comply with the provisions of this act shall be a defense to an alleged violation of this act.

9. This act shall take effect immediately.

Approved February 19, 1981.

CHAPTER 46

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981, and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

DIRECT STATE SERVICES

DEPARTMENT OF TREASURY

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In addition to the appropriation previously provided by P. L. 1980, c. 56 out of the New Jersey Spill Compensation Fund for hiring adjustors, administering the fund and such additional sums as necessary for paying approved claims for damages, there are appropriated out of the New Jersey Spill Compensation Fund, such additional sums as may be necessary for the same purposes, not to exceed $200,000.00.

2. This act shall take effect immediately.

Approved February 20, 1981.

CHAPTER 47

AN ACT concerning the penalty for operating a motor vehicle while under the influence of intoxicating liquor or certain drugs and amending R. S. 39:4–50.

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

1. R. S. 39:4–50 is amended to read as follows:

Operating motor vehicle under influence of liquor or drugs; penalty; alcohol education or rehabilitation.

39:4–50. (a) A person who operates a motor vehicle while under the influence of intoxicating liquor, narcotic, hallucinogenic or habit-producing drug, or permits another person who is under the influence of intoxicating liquor, narcotic, hallucinogenic or habit-producing drug to operate a motor vehicle owned by him or in his custody or control, shall be subject, for the first offense, to a fine of not less than $200.00 nor more than $400.00 or imprisonment for a term of not more than 30 days or both, in the discretion of the court, and shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period of not less than 60 days nor more than 180 days. Except as hereinafter provided, for a second violation, he shall be subject to a fine of not less than $500.00 nor more than $1,000.00, or imprisonment for a term of no more than 90 days, or both, and shall forfeit his right to operate a motor vehicle over the highways of this State for a period of not less than 1 year nor more than 3 years upon conviction, and, after the expiration of said period, he may make application to the Director of the Division of Motor Vehicles for a license to operate a motor vehicle, which application may be granted at the discretion of the director, consistent with subsection (b) of this section. Except as hereinafter provided, for a third or subsequent violation, he shall be subject to a fine of $1,000.00, or imprisonment for a term of not less than 30 days nor more than 180 days, or both, in the discretion of the court, and shall forfeit his right to operate a motor vehicle over the highways of this State for a period of 5 years upon conviction, and, after the expiration of said period, he may make application to the Director of the Division of Motor Vehicles for a license to operate a motor vehicle, which application may be granted at the discretion of the director, consistent with

subsection (b) of this section. If the driving privilege of any person is under revocation or suspension for a violation of any provision of this Title at the time of any conviction for a violation of this section, the revocation or suspension period imposed shall commence as of the date of termination of the existing revocation or suspension period. A court that imposes a term of imprisonment under this section may sentence the person so convicted to the county jail, to the workhouse of the county wherein the offense was committed, or to an inpatient rehabilitation program approved by the Director of the Division of Motor Vehicles.

A person who has been convicted of a previous violation of this section need not be charged as a second or subsequent offender in the complaint made against him in order to render him liable to the punishment imposed by this section on a second or subsequent offender, but if the second offense occurs more than 10 years after the first offense the court shall treat the second conviction as a first offense for sentencing purposes and if a third offense occurs more than 10 years after the second offense, the court shall treat the third conviction as a second offense for sentencing purposes.

(b) In addition to any other requirements provided by law, a person convicted under this section must satisfy the requirements of a program of alcohol education or rehabilitation approved by the Director of the Division of Motor Vehicles. Failure to satisfy such requirements shall result in a driver license revocation or suspension or continuation of revocation or suspension until such requirements are satisfied, unless stayed by court order in accordance with Rule 7:8–2 of the N. J. Court Rules, 1969, or R. S. 39:5–22. A fee, not to exceed $30.00, shall be payable to the director from every person required to satisfy the requirements of a program of alcohol education or rehabilitation under the provisions of this section.

(c) Upon conviction of a violation of this section, the court shall collect forthwith the New Jersey drivers' license or licenses of the person so convicted and forward such license or licenses to the Director of the Division of Motor Vehicles. In the event that a person convicted under this section is the holder of any out-of-state driver's license, the court shall not collect the license but shall notify forthwith the director who shall, in turn, notify appropriate officials in the licensing jurisdiction. The court shall, however, revoke the nonresident's driving privilege to operate a motor vehicle in this State in accordance with this section.

(d) The Director of the Division of Motor Vehicles shall promulgate administrative rules and regulations in order to effectuate the purposes of this act.

2. This act shall take effect immediately.

Approved February 25, 1981.

CHAPTER 48

AN ACT to amend the "Optional County Charter Law," approved September 19, 1972 (P. L. 1972, c. 154).

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

1. Section 28 of P. L. 1972, c. 154 (C. 40:41A–28) is amended to read as follows:

C. 40:41A-28 Municipal powers.

28. Municipal powers. Nothing in this act shall be construed to impair or diminish or infringe on the powers and duties of municipalities under the general law of this State. It is the intent of this act only to permit municipalities to employ services and facilities of the county for more effective, efficient, and adequate provision of services if and when municipalities may deem it desirable to do so. Municipalities are and shall remain the broad repository of local police power in terms of the right and power to legislate for the general health, safety and welfare of their residents.

2. Section 30 of P. L. 1972, c. 154 (C. 40:41A–30) is amended to read as follows:

C. 40:41A-30 General powers.

30. General powers. The grant of powers under this act is intended to be as broad as is consistent with the Constitution of New Jersey and with general law relating to local government. The grant of powers shall be construed as liberally as possible in regard to the county's right to reorganize its own form of government, to reorganize its structure and to alter or abolish its agencies, subject to the general mandate of performing services, whether they be performed by the agency previously established or by a new agency or another department of county government. All

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county offices, boards, commissions and authorities authorized or established by statute, other than those boards and offices which are subject to the provisions of subsection b. of section 125 of P. L. 1972, c. 154 (C. 40:41A–125b.), and other than educational institutions authorized or established pursuant to Title 18A of the New Jersey Statutes, shall be considered to be county agencies for the purposes of this section.

Based on the need to develop effective services to meet problems which cross municipal boundaries and which cannot be met effectively on an individual basis by the municipalities or the State, this act shall be construed as intending to give the county power to establish innovative programs and to perform such regional services as any municipality or the State may determine, in its own best interest, to have the county perform on a contractual basis.

3. Section 125 of P. L. 1972, c. 154 (C. 40:41A–125) is amended to read as follows:

C. 40:41A-125 Adoption of administrative code.

125. a. Adoption of the administrative code. Any time after 60 days from the date of the organization of the first board of chosen freeholders elected under this act, the board of chosen freeholders shall adopt an administrative code organizing the administration of the county government, setting forth the duties and responsibilities and powers of all county officials and agencies, and the manner of performance needed.

b. The administrative code may require that the county board of taxation, county board of elections, jury commissioners of the county, county clerk, surrogate and sheriff be subject to such annual budgetary procedures and requirements as may be specified therein. These procedures and requirements may include, but shall not be limited to, the preparation and submission of an annual budget in accordance with the provisions of the administrative code, and the submission of such periodic budget reports as may be provided therein. The administrative code may further provide that the county board of taxation, county board of elections, jury commissioners of the county, county clerk, surrogate and sheriff shall be subject to such accounting controls, central purchasing practices, personnel procedures and regulations, and central data processing services as are specified in the code, or in administrative orders adopted pursuant thereto; provided, however, that nothing herein shall restrict or limit the authority of the county board of

taxation, county board of elections, jury commissioners of the county, county clerk, surrogate and sheriff as the appointing authority of their respective offices.

c. Nothing in the administrative code shall change the duties or powers of county officers whose existence is mandated by the Constitution or shall diminish the duties, responsibilities or powers of any elected or appointed head of the executive branch or chief assistant thereto or county administrator.

4. This act shall take effect immediately.

Approved February 25, 1981.

CHAPTER 49

AN ACT concerning residency requirements for local elective office, and amending P. L. 1980, c. 94.

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

1. Section 3 of P. L. 1980, c. 94 (C. 40A:9–1.13) is amended to read as follows:

C. 40A:9-1.13 Eligibility to become a candidate.

3. Except as provided in section 9 of this act, no person shall, on or after the effective date of this act, be eligible to become a candidate for any local elective office, or to be appointed to any local elective office, unless he is registered to vote in the local unit to which the office pertains, and has been a resident of that local unit for at least 1 year immediately prior to the date upon which the election for the office is to be held, or prior to the date upon which the appointment is made, as the case may be.

2. This act shall take effect January 1, 1981.

Approved February 25, 1981.

CHAPTER 50

AN ACT to amend "An act concerning county planning, authorizing county planning boards to exercise additional powers in relation to subdivision and improvement of lands, amending chapters 433 and 434 of the laws of 1953, chapter 162 of the laws of 1965, and sections 40:27–4, 40:27–5, 40:55–34 and supplementing chapters 27 and 55 of Title 40 of the Revised Statutes, and repealing section 40:27–7 of the Revised Statutes and chapter 412 of the laws of 1948," approved September 6, 1968 (P. L. 1968, c. 285).

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

1. Section 8 of P. L. 1968, c. 285 (C. 40:27–6.6) is amended to read as follows:

C. 40:27-6.6 Review of certain site plans; hearing; delivery of notice to certain officers; procedures and standards.

8. The governing body of any county having a county planning board may provide for the review of site plans for land development along county roads or affecting county drainage facilities as provided in subsection e. of this section and for the approval of such development as hereinafter set forth and limited for the purpose of assuring a safe and efficient county road system. Such review and approval shall be in conformance with procedures and standards adopted by resolution or ordinance as appropriate of the governing body. Notice of the public hearing on a proposed resolution or ordinance of the governing body establishing procedures and standards to govern the review and regulation of land development along county roads or affecting county drainage facilities as provided in subsection e. of this section, and a copy of such resolution or ordinance, shall be given by delivery or by certified mail to the municipal clerk, secretary of the planning board and secretary of the board of adjustment of each municipality in the county at least 10 days prior to such hearing. These procedures and standards shall be limited to:

a. The submission of a site plan, prior to the issuance of a municipal building permit, drawn in accordance with standards in the resolution or ordinance for any proposed land development,

excluding single family residential development but including proposed commercial, industrial, multi-family structures containing five or more units, or any other land development requiring off-street parking area or producing surface runoff in excess of standards set forth in the site plan review and approval resolution or ordinance of the governing body.

b. The requirement of dedication of additional right-of-way in accordance with the county master plan adopted by the county planning board or an official county map adopted by the governing body. Where by reason of special or unusual conditions said total additional right-of-way is to be secured from just one side of an existing road, only one-half of the additional right-of-way may be required to be dedicated.

c. The requirement of physical improvements subject to recommendations of the county engineer relating to the safety and convenience of the traveling public, including drainage facilities, or other highway and traffic design features as may be deemed necessary on such county road or roads in accordance with the engineering and planning standards established in the site plan review and approval resolution or ordinance of the governing body.

d. The requirement of performance and payment guarantees and procedures for the release of same, maintenance bonds of not more than 2 years' duration from the date of acceptance of improvements, cash contributions, and agreements specifying minimum standards of construction for required improvements. Procedures for, and limitations on the requirement of such guarantees or cash contributions shall be governed by the provisions of this act.

e. The requirement of adequate drainage facilities and easements when, as determined by the county engineer in accordance with county-wide standards, the proposed site plan will cause storm water to drain either directly or indirectly to a county road or through any drainage-way, structure, pipe, culvert or facility for which the county is responsible for the construction, maintenance or proper functioning.

Site plans for land development not along a county road that include less than 1 acre of impervious surfaces are exempt from county site plan review.

2. This act shall take effect immediately.

Approved February 25, 1981.

CHAPTER 51

AN ACT concerning the transportation of school children and supplementing chapter 39 of Title 18A of the New Jersey Statutes.

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

C. 18A:39-20.1 Authorization for transportation of school children; exemptions.

1. Notwithstanding any statute or regulation to the contrary, any board of education, governing body of a nonpublic school or State agency may authorize qualified school personnel, State employees or parents, to transport school children to and from related school activities in a private vehicle with a capacity of eight or less. Any person authorized by a board, body or agency to provide such transportation services shall not be required to be licensed or regulated as a school bus driver. Such transportation shall be exempt from all registration, equipment, inspection and maintenance requirements imposed on the transportation of pupils by school bus.

2. This act shall take effect immediately.

Approved February 25, 1981.

CHAPTER 52

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. a. There is appropriated from the Gubernatorial Elections Fund to the Election Law Enforcement Commission the sum of $2,500,000.00 for public financing of the Gubernatorial general election pursuant to P. L. 1974, c. 26 (C. 19:44A–27 et seq.) as amended and supplemented.

b. There is appropriated from the Gubernatorial Elections Fund to the Election Law Enforcement Commission the sum of $6,500,000.00 for public financing of the Gubernatorial primary election pursuant to P. L. 1974, c. 26 (C. 19:44A-27 et seq.) as amended and supplemented.

2. a. For the purposes of a loan from the General Fund to the Gubernatorial Elections Fund, there is hereby appropriated from the General Fund the sum of $5,000,000.00, notwithstanding the provisions of P. L. 1976, c. 67. Such sums as are first available in the Gubernatorial Elections Fund subsequent to the financing of the 1981 Gubernatorial primary and general elections shall be transferred to the General Fund in repayment of such loan.

b. Subject to the approval of the Director of the Division of Budget and Accounting, and the Subcommittee on Transfers of the Joint Appropriations Committee, such additional sums as may be necessary for public financing of the 1981 Gubernatorial primary election are appropriated from the General Fund to the Gubernatorial Elections Fund for the purpose of a loan, notwithstanding the provisions of P. L. 1976, c. 67. Any such sums shall be subject to repayment as provided in subsection a. of this section. Any such sums shall be first certified by the Election Law Enforcement Commission to the Director of the Division of Budget and Accounting as necessary, in such form and detail as the director deems appropriate.

3. No amount appropriated for public financing of Gubernatorial elections under this act shall be used for any runoff election which may be held pursuant to law.

4. This act shall take effect immediately.

Approved February 26, 1981.

CHAPTER 53

AN ACT to amend and supplement "An act to promote technical innovation and new enterprise in New Jersey, creating an Office for Promoting Technical Innovation in the Division of Economic Development of the Department of Labor and Industry, defining its purposes, powers, and duties, and making an appropriation therefor," approved February 28, 1978 (P. L. 1977, c. 429).

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

1. Section 1 of P. L. 1977, c. 429 (C. 34:1A–64) is amended to read as follows:

C. 34:1A-64 Legislature's findings.

1. The Legislature hereby finds and declares:

a. That there exists in the State a great and growing need to stimulate manufacturing investment and industrial and commercial development to enhance opportunities for economic growth and provide and maintain employment and tax revenues;

b. That continuing technological progress is a key element in economic growth and labor productivity and that a climate of scientific enterprise receptive to new products and processes can be a significant factor in encouraging manufacturing, industrial, commercial, and business enterprises to locate, remain, or expand in this State;

c. That New Jersey, by virtue of its wealth of scientific and technological research facilities, technically sophisticated personnel, and sources of venture capital, has the capacity not only to accelerate the pace of technological innovation and progress, but to promote the transformation of new ideas into commercial products fabricated in New Jersey;

d. That a State office to provide assistance and encouragement to inventors and entrepreneurs would play a vital role in realizing fully the State's potential for technical advancement and thus contribute to the State's economic growth and the welfare of all its citizens.

2. Section 4 of P. L. 1977, c. 429 (C. 34:1A–67) is amended to read as follows:

C. 34:1A-67 Purpose.

4. The purpose of the Office for Promoting Technical Innovation shall be to stimulate and encourage the development of new commercial products to be fabricated in New Jersey by providing such assistance to the individual inventor and small entrepreneur as is needed to realize the full potential of his invention and to apprise business and industry leaders of new and prospective technical advancements which may be of value to them. In order to carry out this purpose, the office shall have the following powers and duties:

a. Establish communication between inventors, sources of capital, entrepreneurs, and technical, legal, marketing and managerial

experts for the purpose of selecting and developing new product enterprises;

b. Organize teams of inventors and technical consultants who will cooperate at all stages in the development of selected inventions into commercial products, including, but not limited to, the screening of patents and inventions for their market potential, the undertaking of feasibility studies, the process of prototype fabrication, the identification of sources of venture capital, the undertaking of market studies, and the organization and management of new enterprises;

c. Advocate the interests of promising enterprises before State and local agencies and authorities and the Division of Economic Development;

d. Inform inventors of available research and development grants from Federal sources and assist in the preparation of applications therefor;

e. Grant or guarantee low interest loans, within the limits of revenues available in the Technical Innovation Financing Fund, to inventors and product developers for projects whose benefit to the State in terms of future applications, employment potential, and tax revenues and ratables can be clearly demonstrated but for which no private or other public sources of financial assistance are available;

f. Maintain liaison with the Federal Intergrovernmental Science, Engineering and Technology Advisory Panel established by P. L. 94–282 and represent the State's interests to Federal agencies;

g. Propose legislation aimed at promoting technical progress;

h. Publish and promote its services and activities to the public at large:

i. Seek and accept financial assistance in the form of contributions, gifts, grants, or matching funds from the Federal Government and any other public or private sources to carry out its program;

j. Submit to the Governor and the Legislature an annual report regarding its activities and setting forth recommendations of methods which might be utilized to more efficiently and effectively carry out the purposes of this act;

k. Collect, and serve as clearinghouse of, technical information and resource materials; provided, however, that any information collected which, in the opinion of the board and the executive director, may constitute a trade secret shall be so designated and shall thereby be exempt from the requirements of P. L. 1963, c. 73 (C. 47:1A-1 et seq.);

l. Adopt and promulgate rules and regulations necessary to carry out the purposes of this act, including, but not limited to, codes of behavior and regulations to preserve the confidentiality of inventions and the integrity of all who may be involved in new product development;

m. Enter into agreements with persons or firms doing business in New Jersey upon such terms and on such conditions as are consistent with the purposes of this act, for the advancement of financial aid to persons or firms for the development of specific inventions or products, to be developed and produced in this State; condition such agreements upon contractual assurances that the benefits of increased employment and tax revenues shall remain in this State and shall accrue to it; accept contract rights, royalties, funds, options or other payments for the Technical Innovation Financing Fund in connection with these agreements; provided that in no case shall it maintain an ownership interest in a corporation, partnership, firm or company that is a party to such agreements;

n. Hold a dividend, assigned interest in patents, copyrights, trademarks or any other evidence of protection or exclusivity with any such persons or firms as to any inventions or products issued under the Laws of the United States or any state or any nation and to accept contract rights, royalties, funds, options or other payments for the Technical Innovation Financing Fund in connection with such holdings.

C. 34:1A-69.1 No State liability for injuries.

3. (New section) The State, its offices, departments, divisions, bureaus, boards, commissions and agencies, including the Office for Promoting Technical Innovation, as well as the employees thereof, shall not be liable in tort, contract, or implied warranty for any injury caused by a product or invention, or its development that in any way was fostered or advanced pursuant to the provisions of P. L. 1977, c. 429.

C. 34:1A-69.2 No State liability for party obligations.

4. (New section) The State, its offices, departments, divisions, bureaus, boards, commissions, and agencies, including the Office for Promoting Technical Innovation, as well as the employees thereof, shall not be liable for any debts, claims, obligations or judgments incurred by or asserted against a party to agreements entered into pursuant to this act.

C. 34:1A-69.3 Short title.

5. (New section) This act shall be known and may be cited as the "New Products, New Jobs Act of 1980."

6. This act shall take effect immediately.

Approved March 2, 1981.

CHAPTER 54

AN ACT concerning municipal contribution for ambulance services and supplementing Title 40 of the Revised Statutes.

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

C. 40:48-4.9 Contribution of funds by certain cities to ambulance services.

1. The governing body of any city of the second class in a county of the second class with a population in excess of 103,000 but below 125,000 according to the 1970 Federal census may contribute funds not to exceed $200,000.00 annually to hospitals, hospital shared service corporations, or hospital consortia within the city for the purpose of assisting such facilities in the maintenance and provision of ambulance or other emergency rescue services with the city.

2. This act shall take effect immediately.

Approved March 2, 1981.

CHAPTER 55

AN ACT to amend and supplement the "Public Employees' Retirement System Act," approved June 28, 1954 (P. L. 1954, c. 84), as said short title was amended by P. L. 1971, c. 213.

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

1. Section 34 of P. L. 1954, c. 84 (C. 43:15A–34) is amended to read as follows:

C. 43:15A-34 Members may borrow from fund.

34. Any member who has at least 3 years of service to his credit for which he has contributed as a member may borrow from the

retirement system, an amount equal to not more than 50% of the amount of his accumulated deductions, but not less than $50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from compensation, not in excess of 25% of the member's compensation, made at the same time compensation is paid to the member. The amount so borrowed, together with interest at the rate of 4% per annum on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deduction from the compensation of the member at the time the compensation is paid or in such lump sum amount to repay the balance of the loan but such installments shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this act applies or shall apply, the additional deductions required to repay the loan shall be made.

Loans shall be made to a member from his accumulated deductions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

C. 43:15A-34.1 Retainment of retirement benefit payments; pensioner who dies; payment to beneficiaries.

2. (New section) In the case of any member who retires without repaying the full amount so borrowed, the Division of Pensions shall retain the retirement benefit payments, excluding authorized deductions of such member as repayment of the loan until the aggregate amount of such retirement benefit payments is equal to the outstanding balance of the loan, together with the interest at the rate of 4% per annum on the amount so borrowed, at which time the retired member shall receive his retirement benefit payments. In the case of a pensioner who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefits payable on the account of the pensioner either in the form of monthly payments due to his beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

3. This act shall take effect immediately.

Approved March 3, 1981.

CHAPTER 56

AN ACT to amend and supplement "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68).

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

1. Section 3 of P. L. 1976, c. 68 (C. 40A:4-45.3) is amended to read as follows:

C. 40A:4-45.3 Increase in municipal budget; limitation; exceptions.

3. In the preparation of its budget a municipality shall limit any increase in said budget to 5% over the previous year's final appropriations subject to the following exceptions:

a. The amount of revenue generated by the increase in its valuations based solely on applying the preceding year's general tax rate of the municipality to the assessed value of new construction or improvements;

b. Capital expenditures including appropriations for current capital expenditures whether in the capital improvement fund, or as a component of a line item elsewhere in the budget, provided that any such current capital expenditure would be otherwise bondable under the requirements of N. J. S. 40A:2-21 and 40A:2-22;

c. An increase based upon: (1) emergency temporary appropriations made pursuant to N. J. S. 40A:4-20 to meet an urgent situation or event which immediately endangers the health, safety or property of the residents of the municipality, and over which the governing body had no control and for which it could not plan; (2) emergency appropriations made pursuant to N. J. S. 40A:4-46 and special emergency appropriations made pursuant to N. J. S. 40A:4-53; or (3) special emergency appropriations made pursuant to N. J. S. 40A:4-54, section 1 of P. L. 1961, c. 22 (C. 40A:4-55.1) or section 1 of P. L. 1968, c. 194 (C. 40A:4-55.13). Emergency temporary appropriations, special emergency appropriations and emergency appropriations under (1) and (2) above shall be approved by at least two-thirds of the governing body and by the Director of the Division of Local Government Services, and shall not exceed in the aggregate 3% of the previous year's final current

operating appropriations. Special emergency appropriations under (3) above shall be approved by at least two-thirds of the governing body, and shall not exceed in the aggregate 3% of the previous year's final current operating appropriations. Neither procedure shall apply to appropriations adopted for a purpose referred to in subsection d. or j. below;

d. All debt service, including that of a Type I school district;

e. Amounts required for funding a preceding year's deficit;

f. Amounts reserved for uncollected taxes;

g. Expenditures mandated after the effective date of this act pursuant to State or Federal law;

h. Expenditure of amounts derived from new or increased service fees imposed by ordinance, or derived from the sale of municipal assets;

i. When approved by referendum;

j. Amounts required to be paid pursuant to any contract with respect to use, service or provision of any project, facility or public improvement for water, sewer, solid waste, parking, senior citizen housing or any similar purpose, or payments on account of debt service therefor, between a municipality and any other municipality, county, school or other district, agency, authority, commission, instrumentality, public corporation, body corporate and politic or political subdivision of this State. With respect to the amounts required to be paid for senior citizen housing in the above cited political subdivisions or bodies, the exceptions shall be subject to the review and approval of the Local Finance Board;

k. Amounts required to be paid by any constituent municipality of the Hackensack Meadowlands District established pursuant to article 2 of the "Hackensack Meadowlands Reclamation and Development Act" (P. L. 1968, c. 404; C. 13:17–4), to the intermunicipal account established pursuant to article 9 of said act (C. 13:17–60 through 13:17–76);

l. Programs funded wholly or in part by Federal or State funds and amounts received or to be received from Federal, State or other funds in reimbursement for local expenditures; or

m. Amounts expended to fund any increase in public utility, fuel oil, gasoline or heating oil charges which exceeds by more than 10% the previous year's final expenditures for such purposes.

2. Section 4 of P. L. 1976, c. 68 (C. 40A:4–45.4) is amended to read as follows:

C. 40A:4-45.4 Increase in county budget; limitation; exceptions.

4. In the preparation of its budget, a county may not increase the county tax levy to be apportioned among its constituent municipalities in excess of 5% of the previous year's county tax levy, subject to the following exceptions:

a. The amount of revenue generated by the increase in valuations within the county based solely on applying the preceding year's county tax rate to the apportionment valuation of new construction or improvements within the county and such increase shall be levied in direct proportion to said valuation;

b. Capital expenditures including appropriations for current capital expenditures whether in the capital improvement fund, or as a component of a line item elsewhere in the budget, provided that any such current capital expenditure would be otherwise bondable under the requirements of N. J. S. 40A:2–21 and 40A:2–22;

c. An increase based upon: (1) emergency temporary appropriations made pursuant to N. J. S. 40A:4–20 to meet an urgent situation or event which immediately endangers the health, safety or property of the residents of the county, and over which the governing body had no control and for which it could not plan; (2) emergency appropriations made pursuant to N. J. S. 40A:4–46 and special emergency appropriations made pursuant to N. J. S. 40A:4–53; or (3) special emergency appropriations made pursuant to N. J. S. 40A:4–54, section 1 of P. L. 1961, c. 22 (C. 40A:4–55.1), or section 1 of P. L. 1968, c. 194 (C. 40A:4–55.13). Emergency temporary appropriations, special emergency appropriations and emergency appropriations under (1) and (2) above shall be approved by at least two-thirds of the governing body and, where appropriate, approved by the chief executive officer of the county, and further approved by the Director of the Division of Local Government Services, and shall not exceed in the aggregate 3% of the previous year's final current operating appropriations. Special emergency appropriations under (3) above shall be approved by at least two-thirds of the governing body, and, where appropriate, approved by the chief executive officer of the county, and shall not exceed in the aggregate 3% of the previous year's final current operating appropriations. Neither procedure shall apply to appropriations adopted for a purpose referred to in subsection d. or f. below;

d. All debt service;

e. Expenditures mandated after the effective date of this act pursuant to State or Federal law;

f. Amounts required to be paid pursuant to any contract with respect to use, service or provision of any project, facility or public improvement for water, sewer, solid waste, parking, senior citizen housing or any similar purpose, or payments on account of debt service therefor, between a county, and any other county, municipality, school or other district, agency, authority, commission, instrumentality, public corporation, body corporate and politic or political subdivision of this State. With respect to the amounts required to be paid for senior citizen housing in the above cited political subdivisions or bodies, the exceptions shall be subject to the review and approval of the Local Finance Board;

g. That portion of the county tax levy which represents funding to participate in any Federal or State aid program and amounts received or to be received from Federal, State or other funds in reimbursement for local expenditures; or

h. Amounts expended to fund any increase in public utility, fuel oil, gasoline or heating oil charges which exceeds by more than 10% the previous year's final expenditures for such purposes.

C. 40A:4-45.4a Transfer of funds.

3. (New section) No transfer of funds which is authorized by N. J. S. 40A:4–58 shall be made from an appropriation which is not subject to limitation pursuant to section 3 or 4 of P. L. 1976, c. 68 (C. 40A:4–45.3 and 40A:4–45.4) to an appropriation which is subject to such limitation.

4. This act shall take effect immediately and shall be retroactive to January 1, 1981.

Approved March 3, 1981.

CHAPTER 57

AN ACT concerning education and amending N. J. S. 18A:39–1 and supplementing chapter 39 of Title 18A of the New Jersey Statutes.

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

1. N. J. S. 18A:39–1 is amended to read as follows:

Pupils remote from schools; transportation.

18A:39–1. Whenever in any district there are pupils residing remote from any schoolhouse, the board of education of the district may make rules and contracts for the transportation of such pupils to and from school, including the transportation of school pupils to and from school other than a public school, except such school as is operated for profit in whole or in part.

When any school district provides any transportation for public school pupils to and from school pursuant to this section, transportation shall be supplied to school pupils residing in such school district in going to and from any remote school other than a public school, not operated for profit in whole or in part, located within the State not more than 20 miles from the residence of the pupil; provided the per pupil cost of the lowest bid received does not exceed $325.00 and if such bid shall exceed said cost then the parent, guardian or other person having legal custody of the pupil shall be eligible to receive said amount toward the cost of his transportation to a qualified school other than a public school regardless of whether such transportation is along established public school routes. It shall be the obligation of the parent, guardian or other person having legal custody of the pupil attending a remote school, other than a public school, not operating for profit in whole or in part, to register said pupil with the office of the secretary of the board of education at the time and in the manner specified by rules and regulations of the State board in order to be eligible for the transportation provided by this section. If the registration of any such pupil is not completed by September 1 of the school year and if it is necesary for the board of education to enter into a contract establishing a new route in order to provide such transportation, then the board shall not be required to provide it, but in lieu thereof the parent, guardian or other person having legal custody of the pupil shall be eligible to receive $325.00 or an amount computed by multiplying 1/180 times the number of school days remaining in the school year at the time of registration, times $325.00 whichever is the smaller amount. Whenever any regional school district provides any transportation for pupils attending schools other than public schools pursuant to this section, said regional district shall assume responsibility for the transportation of all such pupils, and the cost of such transportation for pupils below the grade level for which the regional district was organized, shall be prorated by the regional district among the constituent districts on a per pupil basis after approval

of such costs by the county superintendent. This section shall not require school districts to provide any transportation to pupils attending a school other than a public school where the only transportation presently provided by said district is for school children transported pursuant to chapter 46 of this Title or for pupils transported to a vocational, technical or other public school offering a specialized program. Any transportation to a school, other than a public school, shall be pursuant to the same rules and regulations promulgated by the State board as governs transportation to any public school.

Nothing in this section shall be so construed as to prohibit a board of education from making contracts for the transportation of pupils to a school in an adjoining district when such pupils are transferred to the district by order of the county superintendent, or when any pupils shall attend school in a district other than that in which they shall reside by virtue of an agreement made by the respective boards of education.

Nothing herein contained shall limit or diminish in any way any of the provisions for transportation for children pursuant to chapter 46 of this Title.

C. 18A:39-1a Increase or decrease in cost of transportation.

2. (New section) Beginning in the 1982-83 school year and in each subsequent year, the maximum amount of nonpublic school transportation costs per pupil provided for in N. J. S. 18A:39–1 shall be increased or decreased by an amount equal to the percentage increase or decrease in the total amount of estimated approved transportation costs per pupil for the year prior to the prebudget year compared to the amount estimated for the prebudget year.

3. This act shall take effect immediately and be applicable with respect to the 1981-82 school year and thereafter.

Approved March 3, 1981.

CHAPTER 58

AN ACT concerning "the municipal manager form of government law," amending R. S. 40:84–6 and supplementing chapter 84 of Title 40 of the Revised Statutes.

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

1. R. S. 40:84–6 is amended to read as follows:

Names of persons to appear upon ballot; publication.

40:84–6. Upon the expiration of the time for filing certificates, statements and petitions for candidates, the municipal clerk shall inspect said petitions and ascertain their authenticity, and at least 10 days before the election shall cause to be published for 3 successive days in one of the daily newspapers circulating in such municipality, in proper form, the names of the persons to appear upon the ballots of the election in the order in which they are to appear upon the ballots, and if there be no such daily newspaper, then in one issue of any other newspaper that may be published or circulating in said municipality.

C. 40:84-6.1 Drawing lots to determine order of names of candidates.

2. (New section) The municipal clerk shall draw lots to determine the order in which the names of the candidates shall appear upon the ballots. The name of the person first drawn shall occupy first place on the ballot, or voting machine and the name of the person next drawn shall occupy second place, and so forth. The manner of drawing by lot shall be as follows: Paper cards with the name of each candidate written thereon shall be placed in a covered box with an aperture in the top large enough to allow the cards to be drawn therefrom. The municipal clerk in the presence of any candidate shall draw from the box each card without knowledge on his part as to which card he is drawing. The municipal clerk shall at least 2 days prior to the drawing notify each candidate by registered mail of the time and place of the drawing. The candidate or his representative shall have the right to examine the cards prior to their being placed in the covered box.

3. This act shall take effect immediately.

Approved March 3, 1981.

CHAPTER 59

AN ACT concerning causes for suspension and expulsion from school and amending N. J. S. 18A:37–2.

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

1. N. J. S. 18A:37–2 is amended to read as follows:

Grounds for suspension or expulsion of pupils.

18A:37–2. Any pupil who is guilty of continued and willful disobedience, or of open defiance of the authority of any teacher or person having authority over him, or of the habitual use of profanity or of obscene language, or who shall cut, deface or otherwise injure any school property, shall be liable to punishment and to suspension or explusion from school.

Conduct which shall constitute good cause for suspension or expulsion of a pupil guilty of such conduct shall include, but not be limited to, any of the following:

a. Continued and willful disobedience;

b. Open defiance of the authority of any teacher or person, having authority over him;

c. Conduct of such character as to constitute a continuing danger to the physical well-being of other pupils;

d. Physical assault upon another pupil;

e. Taking, or attempting to take, personal property or money from another pupil, or from his presence, by means of force or fear;

f. Willfully causing, or attempting to cause, substantial damage to school property;

g. Participation in an unauthorized occupancy by any group of pupils or others of any part of any school or other building owned by any school district, and failure to leave such school or other facility promptly after having been directed to do so by the principal or other person then in charge of such building or facility;

h. Incitement which is intended to and does result in unauthorized occupation by any group of pupils or others of any part of a school or other facility owned by any school district;

i. Incitement which is intended to and does result in truancy by other pupils; and

j. Knowing possession or knowing consumption without legal authority of alcoholic beverages or controlled dangerous substances on school premises, or being under the influence of intoxicating liquor or controlled dangerous substances while on school premises.

2. This act shall take effect immediately.

Approved March 3, 1981.

CHAPTER 60

AN ACT to place certain limitations on the per capita costs of county welfare.

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

C. 44:14-1 Short title.

1. This act shall be known and may be cited as the "County Welfare Per Capita Cost Limitation Act of 1981."

C. 44:14-2 Legislature's findings and declarations.

2. The Legislature finds and declares: that there is a wide disparity in the cost of welfare between counties despite the assumption of the major portion of such costs by the Federal and State Governments; that the county costs are reflected in the real property taxes paid by the county residents; that the tax reform program enacted in 1976 is designed to relieve property tax burdens; that, consistent with the objectives of that tax reform program, it is altogether fitting and proper to establish a program to provide relief for local taxpayers by placing certain limitations on the per capita costs of county welfare.

C. 44:14-3 Distribution of funds; formula; terms defined.

3. Funds shall be distributed under this act according to the following formula:

$$E = \frac{CW}{CP} - \frac{CWS}{SP} \times CP$$

where:

E is the entitlement for any given county;

CW is the cost of welfare to the county government in the State fiscal year ending in the calendar year prior to the calendar year in which funds are to be distributed, reduced by a factor reflecting any excess county AFDC error rate above the Statewide average AFDC error rate, as determined by the Division of Public Welfare;

CP is the population of the county;

CWS is the cost of welfare to all county governments in the State, in the State fiscal year ending in the calendar year prior to the calendar year in which funds are to be distributed;

SP is the population of the State.

If the per capita county cost of welfare is less than the Statewide per capita cost of welfare, there shall be no entitlement for that year.

For the purpose of this act: a. "population" means the population estimates of the Department of Labor and Industry for the most recent year before the year in which the distribution is made; except that in the 2 calendar years immediately following a Federal decennial census, the census figures shall be used; b. "cost of welfare to the county government" means the amount expended by the county to meet its share of the net assistance cost of the supplemental security income and aid to families with dependent children programs, exclusive of administrative and social services expenditures.

C. 44:14-4 Entitlement; certification.

4. On or before January 5 of each year the Commissioner of Human Services shall determine and certify to the Director of the Division of Local Government Services the amount to which any county may be entitled under the provisions of this act. On or before January 10 of each year the Director of the Division of Local Government Services shall certify to the chief financial officer of each such county of said entitlement. For the initial year of implementation, however, the commissioner shall determine and certify the amount to which any county may be entitled within 2 weeks of the effective date of this act and the director shall, within 1 week of receiving such certification from the commissioner, certify to the chief financial officer of each affected county the amount of such entitlement. The State Treasurer, upon certification of the director and upon warrant of the State Comptroller, shall, in the manner and subject to the restrictions provided in section 5 of this act, pay and distribute to each such county the amount determined and certified.

C. 44:14-5 Payments; dates due.

5. The State Treasurer shall make payments required under this act in two equal installments, the first to be payable annually on August 1 of each year and the second payable annually on the succeeding December 1.

C. 44:14-6 Anticipation of amount of funds.

6. A county entitled to receive funds under this act shall anticipate the amount certified by the director in its budget.

C. 44:14-7 Reduction in base.

7. In 1982, a county receiving funds under this act shall reduce the base upon which the limitation on county expenditures is determined in an amount equal to 70% of the funds received in 1981.

8. This act shall take effect immediately.

Approved March 3, 1981.

CHAPTER 61

AN ACT concerning aid to certain municipalities and supplementing Title 40A of the New Jersey Statutes.

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

C. 40A:4-45.7 Urban aid funds; determination of expenditures; exceptions.

1. Notwithstanding the provisions of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.), each municipality receiving aid as provided in P. L. 1978, c. 14 (C. 52:27D–178 et seq.) shall, for its budget purposes in each year, treat urban aid funds for the purpose of determining expenditure limitations and expenditures exempt from those limitations, in the manner that those funds were treated by that municipality for its budget purposes in 1980 with the following exception. Any municipality which: (a) included a 1979 appropriation of urban aid funds within its 1980 final appropriations for the purposes of calculating its spending limitations pursuant to P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.); and (b) expended urban aid funds as an exception to the spending limitation in its 1980 budget, shall not include appropriations of urban aid funds made in 1980 or any year thereafter in its final appropriations for the purpose of calculating its spending limitations in its 1981 or any subsequent budget.

C. 40A:4-45.8 Expenditure of funds as exception to spending limitations.

2. Any municipality which initially receives urban aid funds in 1981 or any year thereafter may expend those funds as an exception to the spending limitations of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.) in the initial year such funds are received. In each year following that initial year, appropriations of urban aid funds shall be included in the municipality's final appropriations for the pur-

pose of calculating its spending limitations and shall not be expended as an exception to those spending limitations.

3. All actions taken by any municipality with respect to the treatment of urban aid funds for the purpose of determining expenditure limitations and expenditures exempt from those limitations under P. L. 1976, c. 68 (C. 40A:4–45:1 et seq.) in any budget heretofore adopted by the municipality are ratified, validated and confirmed.

4. This act shall take effect immediately, and shall be retroactive to January 1, 1981.

Approved March 3, 1981.

CHAPTER 62

AN ACT concerning oyster lease grounds in Delaware bay and amending certain sections of the statutory law.

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

1. R. S. 50:1–23 is amended to read as follows:

Power of lease; lands subject to lease.

50:1–23. The Shell Fisheries Council may lease to applicants therefor any of the lands of the State under the tidal waters thereof, to be exclusively used and enjoyed by such lessee for the planting and cultivating of oysters and clams; except that no lands shall be leased above the southwest line in the Delaware bay, as defined in R. S. 50:3–11, except in Section E which shall consist of all area within the boundaries described herein: Beginning at a point (X=1820400) (Y=146800) said point being Channel Buoy R"32" and corner #1 of said section and running thence N 28°–14'–1.42'' E 6612.18 feet to corner #2 (X=1826233) (Y=149914); thence S 56°=32'–38.4'' E 33401.27 feet to corner #3 being also corner #1 lot 530 section D leased oyster ground lot (X=1854100) (Y=131500) located on or near the southwest line; thence along the southwest line S 55°–16'–29.1'' W 19222.67 feet to old Crossledge Lighthouse foundation being corner #4 of the section (X=1838301) (Y=120550); thence N 16°–02'–14.0" W 17740.41 feet to corner #5 being also BR "WR" buoy marking

a wreck in the bay (X=1833400) (Y=137600); thence N 42°-42'-33.7" W 3538.36 feet to a point in Delaware Bay being corner #6 of section E (X=1831000) (Y=140200); thence S 70°-17'-31.3" W 7116.88 feet to corner #7 being a point on the east side of the Main Ship Channel in Delaware bay (X=1824300) (Y=137800); thence N 23°-25'-43.3" W 9818.67 feet to corner #1 the place of beginning. Nor shall any lands be leased in any creek tributary to Delaware bay, nor any lands under the waters of Delaware bay southwesterly of a line beginning at a point (x=1,929,827.93) (y=87,182.61) on the shore of Delaware bay in Cape May county, said point being about 2,000 feet south-southwest of Gus's Beach, and running thence N 67°-38'-05.3" W 21,127.33 feet to a corner (x=1,910,289.85) (y=95,221.74) said corner being on the line running from Dennis Creek Rear Range Light to Brandywine Lighthouse, nor the beds at the mouth of the Tuckahoe and Great Egg Harbor rivers, nor the graveling beds at the mouth of Mullica river, Parker's beds in Parker's cove, Forked river beds, Cedar creek beds and Sloop creek beds in Barnegat bay, nor any lands under the waters of the Mullica river above a line extending in a westerly direction from the south end of Deep Point; provided, however, that leases may be granted for lands heretofore leased in said area in the Mullica river, and except that no lands which lie under the waters of the Navesink or Shrewsbury rivers, shall be leased for the planting and cultivating of oysters.

2. R. S. 50:2-7 is amended to read as follows:

Culling immediately after emptying tongs or dredges.

50:2-7. All oysters, oyster shells and other material dredged, tonged or in any manner raised or taken from any of the beds and grounds above what is known as the southwest line in Delaware bay, except in that area known as Section "E" as defined in R. S. 50:1-23, or from any natural oyster bed or ground, shell bed or reef, where oysters naturally spawn and grow under the tidal waters of the State, shall be culled as soon as the same are emptied out of the tongs or dredges on the culling board, conveyor, culling device, or deck of the boat or vessel employed for the purpose, and before the same are shoveled back from the culling board or portion of the deck used for emptying the tongs or dredges.

3. R. S. 50:3-7 is amended to read as follows:

Size of dredge regulated.

50:3-7. No person shall use any dredge for the purpose of catching or taking oysters or clams from any of the natural beds or

grounds in Delaware bay or Delaware river above the line running direct from the mouth of Straight creek to Cross Ledge lighthouse, commonly known and hereafter referred to as the "southwest line", except in that area known as Section "E" as defined in R. S. 50:1–23, the tooth bar of which dredge measures more than 54 inches across from center of bolt hole to center of bolt hole where the frame thereof is fastened to the tooth bar, or any dredge which measures more than 5 feet 2 inches in width from the extreme outside to outside of frame, or any dredge which measures more than 21 inches from center of tooth bar to center of cross bar, or any dredge the bag of which contains more than 17 rows of 2 inch rings, or any dredge the rings of which are less than 2 inches in diameter, inside measurement, or any dredge the bag of which measures more than 5 feet around the bag from center of tooth bar to center of cross bar, or any dredge which weighs more than 250 pounds.

4. R. S. 50:3–8 is amended to read as follows:

Season for taking oysters.

50:3–8. Except in that area known as Section "E" as defined in R. S. 50:1–23, no oysters shall be dredged for, caught or taken from any of the lands lying under the tidal waters of the Delaware river, Delaware bay or Maurice river cove, above the southwest line, except from and including May 1 to and including June 30 of each year.

5. R. S. 50:3–11 is amended to read as follows:

Section "E" season for taking oysters.

50:3–11. No oysters shall be dredged for, caught or taken from that area known as Section "E" as defined in R. S. 50:1–23 or from any of the lands lying under the tidal waters of the Delaware bay and Maurice river cove below a line running direct from the mouth of Straight creek to Cross Ledge lighthouse, commonly known and hereinafter referred to as the "southwest line," at any time except from September 1 to June 30 then next, both inclusive, of each year; but the commissioner may, upon application, give permission, in writing, to any lessee of oyster grounds to dredge, catch or take oysters or to employ such methods for the protection of his oysters on said grounds and for the promotion of the growth thereof during the closed season as the commissioner may deem advisable.

6. R. S. 50:3–13 is amended to read as follows:

Dredging by person other than lessee; prohibition; violation; penalty.

50:3–13. No person shall dredge upon or throw, cast or drag an oyster or clam dredge, or any other instrument or appliance used for catching oysters or clams, in that area known as Section "E" as defined by R. S. 50:1–23 or upon any of the land of the State lying under the tidal waters of the Delaware bay or Maurice river cove, in this State, below the southwest line, other than land or ground for which such person then holds a lease from the Shell Fisheries Council under this Title.

7. This act shall take effect immediately.

Approved March 5, 1981.

CHAPTER 63

AN ACT to validate certain proceedings of school districts and any bonds or other obligations issued or to be issued pursuant to such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district or at any school district election for the authorization or issuance of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued in pursuance of a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that said proposal did not expressly authorize the issuance of the bonds for the capital school purpose proposed to be undertaken therein; provided, however, that said proposal did specify the amount of money to be expended for said purpose; and provided further, that no bonds of the school district shall be issued in pursuance of said proposal in excess of said amount of money; and provided further, that no action, suit or proceeding of any nature to contest the validity of such proceedings has heretofore been instituted prior to the date upon which this act takes effect and within the time fixed therefor by or pursuant to law or rule of court or when such time has not heretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved March 9, 1981.

CHAPTER 64

AN ACT to amend and supplement "An act to place limits on expenditures by counties and municipalities and supplementing Title 40A of the New Jersey Statutes," approved August 18, 1976 (P. L. 1976, c. 68, C. 40A:4–45.1 et seq.).

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

1. Section 2 of P. L. 1976, c. 68 (C. 40A:4–45.2) is amended to read as follows:

C. 40A:4-45.2 Limitation on increase of appropriations; exceptions.

2. Beginning with the tax year 1977 municipalities, other than those having a municipal purposes tax levy of $0.10 or less per $100.00 and counties shall be prohibited from increasing their final appropriations by more than 5% over the previous year except within the provisions set forth hereunder.

For the purpose of this section, in computing its final appropriations for the previous year, a municipality shall include, as part of its final appropriations:

a. Amounts of revenue generated by an increase in its valuations based solely on applying the preceding year's local purposes tax rate of the municipality to the assessed value of new construction or improvements;

b. Revenues derived in the previous year from new service fees, or from any increase in any previously imposed service fees, imposed by ordinance;

c. Amounts approved by referendum, pursuant to subsection i. of section 3 of P. L. 1976, c. 68 (C. 40A:4–45.3) and section 1 of P. L. 1979, c. 268 (C. 40A:4–45.3a).

In each budget year subsequent to 1981, whenever any municipality shall have transferred to any local public utility, any local public authority or any special purposes district, during the immediately preceding budget year, or at any time during the current budget year prior to the final adoption of the budget, any service or function funded during the immediately preceding budget year, either partially or wholly from appropriations in the municipal budget, the municipality shall deduct from its final appropriations upon which its permissible expenditures are calculated pursuant to

this section the amount which the municipality expended for that service or function during the last full budget year throughout which the service or function so transferred was funded from appropriations in the municipal budget.

C. 40A:4-45.3b Municipal assets; treatment in budget.

2. (New section) Notwithstanding any provisions of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.) to the contrary, municipalities shall, in budget year 1981 and in all subsequent budget years in deriving their final appropriations for the prior year upon which the 5% annual increase permitted under section 2 of P. L. 1976, c. 68 (C. 40A:4–45.2) is calculated, not be required to treat as exceptions to the prior year's final appropriations any appropriations of the proceeds of the sale of municipal assets which were contained in their budgets for the year 1980 or for any prior budget year. In all fiscal years subsequent to budget year 1981, municipalities shall, in deriving their final appropriations for the immediately preceding budget year upon which the 5% annual increase is calculated, treat the amounts of the proceeds of the sale of municipal assets appropriated in their budgets for the immediately preceding year as exceptions to the final appropriations under section 3 of P. L. 1976, c. 68 (C. 40A:4–45.3).

3. This act shall take effect immediately, and shall be retroactive, except as specifically provided therein, to August 18, 1976.

Approved March 9, 1981.

CHAPTER 65

AN ACT to require that municipalities include in their 1981 budgets certain revenues to be received in that year.

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

1. On or before April 15, 1981, the State Treasurer shall certify to each municipality an amount equal to 90% of the difference between the amount of the aggregate apportionment the municipality received in 1980 pursuant to section 14 of P. L. 1940, c. 5 (C. 54:30A–62) and section 9 of P. L. 1940, c. 4 (C. 54:30A–24), and the amount of the aggregate apportionment the municipality will

receive in 1981 pursuant to those sections. Each municipality, upon notification by the State Treasurer, shall include an amount equal to such amount in its 1981 annual budget or any amendments or supplements thereto, and the amount so anticipated shall be in addition to any apportionment amount which the municipality is otherwise permitted by law to anticipate in its annual budget. Immediately thereafter, commitments may be made by the municipality against the amount included.

2. This act shall take effect immediately, and shall expire December 31, 1981.

Approved March 9, 1981.

CHAPTER 66

AN ACT providing for the publishing of notice for absentee voting for municipal budget referenda, validating certain actions of municipalities taken in that regard, and amending P. L. 1979, c. 268.

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

1. Section 1 of P. L. 1979, c. 268 (C. 40A:4–45.3a) is amended to read as follows:

C. 40A:4-45.3a Referendum; when held.

1. The provisions of any other law to the contrary notwithstanding, any referendum conducted by a municipality pursuant to subsection i. of section 3 of P. L. 1976, c. 68 (C. 40A:4–45.3i.), for the purpose of requesting approval for increasing the municipal budget by more than 5% over the previous year's final appropriations, shall be held on the last Tuesday in the month of February of the year in which the proposed increase is to take effect. The municipal budget proposing such increase shall be introduced and approved in the manner otherwise provided in N. J. S. 40A:4–5 at least 20 days prior to the date on which such referendum is to be held, and shall be published in the manner otherwise provided in N. J. S. 40A:4–6 at least 12 days prior to said referendum date. Notice shall be published pursuant to section 7 of P. L. 1953, c. 211

(C. 19:57–7) on the next day following the introduction of the budget.

2. For any municipal referendum to be held on March 31 of the 1981 municipal budget year, notice shall be published pursuant to section 7 of P. L. 1953, c. 211 (C. 19:57–7) on the next day following the introduction of the budget as required by P. L. 1981, c. 14.

3. All actions heretofore taken by any municipality with respect to any referendum held or to be held pursuant to the provisions of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.) are ratified, validated and confirmed, notwithstanding any failure of the municipality to comply with the provisions of chapter 57 of Title 19 (Elections) of the Revised Statutes.

4. This act shall take effect immediately.

Approved March 12, 1981.

CHAPTER 67

AN ACT to amend the "New Jersey Housing Finance Agency Law of 1967," approved May 31, 1967 (P. L. 1967, c. 81).

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

1. Section 4 of P. L. 1967, c. 81 (C. 55:14J–4) is amended to read as follows:

C. 55:14J-4 New Jersey Housing Finance Agency; establishment.

4. (a) There is hereby established in, but not of, the Department of Community Affairs a body corporate and politic, with corporate succession, to be known as the "New Jersey Housing Finance Agency." The agency is hereby constituted an instrumentality exercising public and essential governmental functions, and the exercise by the agency of the powers conferred by this act shall be deemed and held to be an essential governmental function of the State.

(b) The agency shall consist of the Commissioner of the Department of Community Affairs, the State Treasurer, and the Attorney General, who shall be members ex officio, and 4 members appointed by the Governor with the advice and consent of the Senate for

terms of 3 years; provided, that the 4 members appointed by the Governor shall be residents of this State; and, provided further, that the 4 members appointed by the Governor shall have knowledge in the areas of housing design, construction or operation; finance; urban redevelopment; or community relations. Each member shall hold office for the term of his appointment and until his successor shall have been appointed and qualified. A member of the agency shall be eligible for reappointment. One of the two additional members first appointed by the Governor pursuant to this amendatory act shall serve for a term of 1 year, and the other additional member shall serve for a term of 3 years.

Each ex officio member of the agency may designate an officer or employee of his department or agency to represent him at meetings of the agency, and each designee may lawfully vote and otherwise act on behalf of the member for whom he constitutes the designee. Any designation shall be in writing, delivered to the agency and filed with the office of the Secretary of State and shall continue in effect until revoked or amended in the same manner as provided for designation.

(c) Each member of the agency 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 a hearing. Each member of the agency before entering upon his duties shall take and subscribe an oath to perform the duties of this 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.

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

(d) The Commissioner of the Department of Community Affairs shall be the chairman and chief executive officer of the agency and the members shall elect one of their number as vice-chairman thereof. The agency shall elect a secretary and a treasurer who need not be members; provided, that the same person may be elected to serve both as secretary and treasurer. The powers of the agency shall be vested in the members thereof in office from time to time and 4 members of the agency shall constitute a quorum at any meeting thereof. Action may be taken and motions and resolutions adopted by the agency at any meeting thereof by the affirmative vote of at least 4 members of the agency. No vacancy

in the membership of the agency shall impair the right of a quorum to exercise all the powers and perform all the duties of the agency.

(e) Before the issuance of any bonds or other obligations under the provisions of this act, each member of the agency shall execute a surety bond in the penal sum of $25,000.00 and the treasurer of the agency shall execute a surety bond in the penal sum of $50,000.00, 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, to be executed by a surety company authorized to transact business in the State of New Jersey as surety and to be approved by the Attorney General and filed in the office of the Secretary of State. At all times after the issuance of any bonds or other obligations by the agency each member of the agency shall maintain such surety bonds in full force and effect. All costs of such surety bonds shall be borne by the agency.

The members of the agency shall serve without compensation, but the agency 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 this State shall be deemed to have forfeited or shall forfeit his office or employment by reason of his acceptance of membership on the agency or his service thereon.

2. This act shall take effect immediately.

Approved March 16, 1981.

CHAPTER 68

AN ACT to amend the "Optional Municipal Charter Law," approved June 8, 1950 (P. L. 1950, c. 210).

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

1. Section 9–18 of P. L. 1950, c. 210 (C. 40:69A–98) is amended to read as follows:

C. 40:69A-98 Power of appointment.

9-18. Any provision of general law conferring the appointing power or other power upon the mayor or other executive head of

the municipality shall be construed as meaning the municipal manager in a municipality governed under this article, and the appointments or the power exercised by the municipal manager in accordance with such provision shall be classified and given the same force and effect as if executed by the official named therein, except that members of the board of education and of the trustees of the public library, whenever required to be appointed by any such provision by any board or official of the municipality, shall be appointed under this article by the mayor, and except that the mayor shall serve as the fifth member of the board of school estimate pursuant to N. J. S. 18A:22–1.

2. This act shall take effect immediately.

Approved March 18, 1981.

CHAPTER 69

AN ACT to amend "An act concerning alcoholic beverage control and supplementing chapter 1 of Title 33 of the Revised Statutes," approved June 2, 1971 (P. L. 1971, c. 184).

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

1. Section 1 of P. L. 1971, c. 184 (C. 33:1–40.3) is amended to read as follows:

C. 33:1-40.3 Sale of wine and malt alcoholic beverages in original containers.

1. Whenever the sale of alcoholic beverages for consumption on the premises and off the premises or either thereof is authorized in any municipality by ordinance or rule or regulation of the Division of Alcoholic Beverage Control, by the holder of a retail consumption or retail distribution license, such ordinance or rule shall authorize the sale of wine and malt alcoholic beverages in original bottle or can containers for consumption off the premises on the same days and during the same hours as the sale of alcoholic beverages for consumption on the premises is permitted and authorized in said municipality. If a municipality has no ordinance or local law that authorizes the sale of alcoholic beverages for consumption on the premises, then such municipality may by ordinance authorize the sale of wine and malt alcoholic beverages in original bottle or can

containers by retail distribution licensees any time between the hours of 12:30 p.m. and 6:30 p.m. on Sunday, in addition to such weekday hours as may be authorized by ordinance.

All parts of ordinances and regulations of the Director of the Division of Alcoholic Beverage Control inconsistent with the provisions of this act are superseded to the extent of such inconsistency.

2. This act shall take effect 30 days after enactment.

Approved March 23, 1981.

CHAPTER 70

AN ACT appropriating funds from the Institutional Construction Fund and the Public Purpose Buildings Construction Fund for the construction, renovation and improvement of institutional facilities.

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

1. a. There is appropriated to the Department of Human Services from the "Institutional Construction Fund", created by the "Institutional Construction Bond Act of 1978," P. L. 1978, c. 79, the sum of $3,400,000.00 for the community grant program in the Division of Mental Retardation.

b. There is appropriated to the Department of Human Services, from the "Public Purpose Buildings Construction Fund," created by the "New Jersey Public Purpose Buildings Construction Bond Act of 1980," P. L. 1980, c. 119, the sum of $64,000,000.00 for the following construction projects:

(1) Division of Mental Retardation:

Renovation of institutional buildings	$11,250,000
New construction of residential facilities	$21,500,000
Renovation and improvement of program and support facilities	$14,750,000
Total	$47,500,00

(2) Division of Mental Health and Hospitals:	
Renovations, improvements and demolition at psychiatric facilities	$11,500,000
New forensic facility (planning and design)	$ 800,000
Total	$12,300,000
(3) Division of Youth and Family Services:	
Community grant program	$ 2,000,000
Improvements to residential facilities	$ 1,500,000
Total	$ 3,500,000
(4) Division of Veterans Services:	
Construction of new nursing beds (planning and design)	$ 700,000
Total	$ 700,000
Total Department of Human Services	$64,000,000

2. There is also appropriated from the proceeds of the sale of the above mentioned bonds, such items as may be necessary to meet any expense incurred by the issuing officials under P. L. 1978, c. 79 and P. L. 1980, c. 119 for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of those laws.

3. The State Treasurer and the State Department of Human Services may enter into agreements with the Federal Government in order to secure and receive available financial grants which are related in purpose to the above appropriations made in this act. The State Treasurer shall establish and maintain separate accounts in the Institutional Construction Fund and the Public Purpose Buildings Construction Fund for funds appropriated under these acts and for financial grants received from the Federal Government. The Department of Human Services may requisition funds so established and maintained for the uses and purposes specifically enumerated under this act, subject to the same restrictions and control as are exercised over all other appropriated State funds and subject to the provisions of P. L. 1978, c. 79 and P. L. 1980, c. 119.

4. The Director of the Division of Budget and Accounting in the Department of Treasury shall make such corrections in the title or text, or both, of any appropriation item authorized under this act necessary to make the appropriation available for the purposes for which it was intended. The correction shall be made

by a written ruling which shall set forth an explanation of the need for the correction and which shall be signed by the Director of the Division of Budget and Accounting and shall be filed by the director in his office as an official record. Any action pursuant to that ruling, including disbursements and the audit thereof, shall be legally binding and of full effect.

5. The Director of the Division of Budget and Accounting may approve expenditures for predesign program planning and other related costs for capital projects authorized under this act.

6. In order to provide flexibility in administering the provisions of this act, the Commissioner of Human Services may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item of appropriation to any other item of appropriation within the respective department accounts. The transfer shall be made upon the written approval of the director and of the Legislative Budget Officer in the Office of Legislative Services.

7. This act shall take effect immediately.

Approved March 23, 1981.

CHAPTER 71

AN ACT concerning the form of ballots for certain primary elections, and supplementing Title 19 of the Revised Statutes.

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

C. 19:23-26.1 Names of candidates for office of United States Senator; printing of ballots.

1. In the case of a primary election for the nomination of a candidate for the office of United States Senator and in the case of a primary election for the nomination of a candidate for the office of Governor, the names of all candidates for the office of United States Senator or Governor shall be printed on the official primary ballot in the first column or horizontal row designated for the party of those candidates.

In the event that the nomination of candidates for both offices shall occur at the same primary election, the names of all candidates

for the office of United States Senator shall be printed in the first column or horizontal row designated for the party of those candidates, and the names of all candidates for the office of Governor shall be printed in the second column or horizontal row.

No candidate for nomination for any other office shall have his name printed in the same column or horizontal row as the candidates for nomination for the office of United States Senator or Governor.

C. 19:23-26.2 Applicability of title's provisions.

2. The provisions of Title 19 of the Revised Statutes which apply particularly to a primary election for the general election shall apply to this act insofar as they are not inconsistent with its special provisions.

3. This act shall take effect immediately.

Approved March 23, 1981.

CHAPTER 72

AN ACT authorizing a program for research into the therapeutic use of certain Schedule I controlled dangerous substances in certain situations, supplementing Title 26 of the Revised Statutes and making an appropriation therefor.

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

C. 26:2L-1 Short title.

1. This act shall be known and may be cited as the "Controlled Dangerous Substances Therapeutic Research Act."

C. 26:2L-2 Legislature's findings.

2. The Legislature finds and declares that recent medical research has shown that the therapeutic use of certain Schedule I controlled dangerous substances may alleviate the nausea and ill-effects of certain medical treatment, such as cancer chemotherapy, and, additionally, may alleviate the ill-effects of certain diseases, such as glaucoma. The Legislature further recognizes that there is a need for further therapeutic research with regard to the use of such controlled dangerous substances for these purposes under

strictly controlled circumstances. It is for this purpose that the "Controlled Dangerous Substances Therapeutic Research Act" is hereby enacted.

C. 26:2L-3 Definitions.

3. As used in this act:

a. "Board" means the Therapeutic Research Qualification Review Board established in section 5 of this act.

b. "Commissioner" means the State Commissioner of Health.

c. "Schedule I controlled dangerous substance" means a controlled dangerous substance having a high addiction liability; no accepted medical use in the United States; and listed in New Jersey Administrative Code 8:65–10.1.

d. "Drugs" means drugs as defined in section 2 of P. L. 1970, c. 226 (C. 24:21–2).

e. "Practitioner" means a physician licensed to prescribe and administer drugs which are subject to the "New Jersey Controlled Dangerous Substances Act" (P. L. 1970, c. 226).

f. "Program" means the controlled dangerous substances therapeutic research program established in this act.

C. 26:2L-4 Therapeutic research program; establishment; rules and regulations; limitations of program; names and records of individuals; release.

4. a. There is hereby established in the State Department of Health, the controlled dangerous substances therapeutic research program. The program shall be limited to therapeutic research programs presently conducted by the Bureau of Drugs in the Food and Drug Administration of the U. S. Department of Health and Human Services or its successor and shall be administered by the commissioner who shall promulgate rules and regulations necessary for the administration of this act, including but not limited to rules and regulations which may be necessary to require patients desiring certification pursuant to section 5 of this act to release their medical records for the purposes of certification and follow-up reports. In making such promulgations, the commissioner shall take into consideration all Federal controlled dangerous substances laws and rules adopted pursuant to such laws.

b. The program shall be limited to patients who are certified to the board, established by section 5 of this act, by a practitioner as being involved in a life-threatening or sense-threatening situation and who are not responding to drugs or where the drugs administered have proven to be effective but where the patient has incurred severe side effects.

c. The names and medical records of individual patients who have either requested certification or have been certified pursuant to section 5 of this act shall not be released in any form which identifies the individual, except that the names and records of such individuals shall be made available upon request for use in the enforcement of laws regarding controlled dangerous substances (P. L. 1970, c. 226; C. 24:21–1 et seq.).

C. 26:2L-5 Board; appointment; compensation; powers and duties.

5. a. The commissioner, after consulting with the Medical Society of New Jersey, shall appoint a Therapeutic Research Qualification Review Board to serve at his pleasure. The board shall be comprised of physicians licensed to practice medicine and surgery in New Jersey and who are well qualified in their specialities. Members of the board may be reimbursed for their attendance at meetings at the rate of $35.00 per day.

b. The board shall review all practitioners applying for participation in the program and certify their participation in the program.

c. The board shall have the authority to approve for participation in the program any patient who is certified to it by a practitioner, pursuant to the provisions of section 4b. of this act.

C. 26:2L-6 Entering into agreements; transfer to practitioners; exemptions from provisions.

6. a. The commissioner shall enter into an agreement with the National Institute on Drug Abuse for receipt of a Schedule I controlled dangerous substance for the purposes prescribed in this act, subject to the provisions of all Federal controlled dangerous substances laws and rules adopted pursuant to such laws.

b. The commissioner shall provide for a Schedule I controlled dangerous substance received pursuant to subsection a. of this section to be transferred to those practitioners certified by the board to participate in the program.

c. Patients and practitioners receiving Schedule I controlled dangerous substances through the National Cancer Institute's Investigational Drug Branch shall not be subject to the provisions of this act.

C. 26:2L-7 Reports on Schedule I controlled dangerous substances.

7. Participating practitioners shall submit to the commissioner reports on the use of Schedule I controlled dangerous substances received by their patients pursuant to this act.

C. 26:2L-8 Review of reports.

8. The board shall review all reports of use of Schedule I controlled dangerous substances in such cases, and the commissioner, in conjunction with the board, shall report his findings and recommendations to the Legislature and Governor on an annual basis regarding the effectiveness of the program.

C. 26:2L-9 Construction.

9. Notwithstanding any laws to the contrary, nothing in the laws dealing with controlled dangerous substances shall be construed to prohibit a program of therapeutic research with regard to the use of certain Schedule I controlled dangerous substances in certain situations, as provided in section 4b. of this act.

10. There is appropriated $25,000.00 or so much thereof as is necessary to carry out the purposes of this act.

11. This act shall take effect immediately.

Approved March 23, 1981.

CHAPTER 73

AN ACT to amend the "Interlocal Services Aid Act," approved December 6, 1973 (P. L. 1973, c. 289).

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

1. Section 5 of P. L. 1973, c. 289 (C. 40:8B–5) is amended to read as follows:

C. 40:8B-5 Applications for joint service program grants.

5. Applications for joint service program grants may be made covering any or all of the following areas of governmental service:

a. Joint assessment and collection of taxes;

b. Joint maintenance of municipal records and statistics and electronic data processing;

c. Joint building, housing and plumbing code inspection and enforcement;

d. Joint solid waste collection and disposal;

e. Joint air pollution control inspection and enforcement;

f. Joint welfare and social service programs;

g. Joint maintenance and administration of parks and recreational and cultural facilities;

h. Joint maintenance of roads, public works and beaches;

i. Joint fire departments (any intermunicipal volunteer department or company shall be eligible to apply pursuant to section 4 of this act, except that any intermunicipal volunteer fire program shall provide for the consolidation of all companies within the municipalities served. Such consolidation shall in no way be deemed to affect municipal aid to fire companies under N. J. S. 40A:14–34. For purposes of such aid, the consolidated company shall be eligible for the full amount of aid which its constituent companies might have received from any municipality had they remained separate entities);

j. Consolidation of municipal police forces or departments;

k. Joint municipal courts;

l. Joint risk management services.

2. This act shall take effect immediately.

Approved March 23, 1981.

CHAPTER 74

AN ACT to amend the "Savings and Loan Act (1963)," approved August 30, 1963 (P. L. 1963, c. 144) and "The Banking Act of 1948," approved April 29, 1948 (P. L. 1948, c. 67) to permit banking institutions and savings and loan associations to make secondary mortgage loans and supplementing chapter 1 of Title 17 of the Revised Statutes.

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

1. Section 5 of P. L. 1963, c. 144 (C. 17:12B–5) is amended to read as follows:

C. 17:12B-5 Definitions.

5. Definitions. The following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meaning:

(1) "State association" shall mean any savings and loan association, building and loan association, or any corporation, however named, now or hereafter operating pursuant to the provisions of this act.

(2) "Federal association" shall mean a savings and loan association organized pursuant to an Act of Congress approved June 30, 1933, entitled "Home Owners' Loan Act of 1933" or any subsequent Act of Congress.

(3) "Association" shall mean both a State association and a Federal association having its principal office in this State.

(4) "Insured association" shall mean an association whose savings members' accounts or savings deposits are insured by the Federal Savings and Loan Insurance Corporation.

(5) "Board" shall mean the board of directors of any association.

(6) "Commissioner" shall mean the Commissioner of Banking of the State of New Jersey, or such other official as may hereafter be charged by State law with the supervision of State associations.

(7) "Member" shall mean a person who holds an account or a savings deposit in a mutual association as a savings member or as a borrowing member.

(8) "Savings member" shall mean a member who holds an account or a savings deposit representing savings in an association.

(9) "Borrowing member" shall mean a member to whom money of the association is loaned or one who is the owner of property upon which the association holds a mortgage.

(10) "Account" shall mean the record of the financial transactions of a member or depositor as shown on the books of the association.

(11) "Direct reduction loan" shall mean a loan the principal of which is repayable in periodical installments.

(12) "Sinking fund loan" shall mean a loan, the principal of which is contracted to be repaid with the participation value of an installment account pledged as collateral security for the payment of the loan.

(13) "Straight mortgage loan" shall mean a loan, the principal of which is repayable upon a fixed day and upon which no interim amortization is required.

(14) "Account loan" shall mean a loan secured by the pledge of an account and the shares, if any, issued in connection therewith.

(15) "Capital" of a mutual State association shall mean the aggregate participation value of all savings members' accounts. It shall not be limited and shall be accumulated only by payments by savings members, plus dividends credited to their accounts.

(16) "Participation value" of an account shall mean the amount paid by a savings member on such account, plus dividends or interest credited thereto, less payments of withdrawals and retirements therefrom and any other amounts lawfully deductible therefrom.

(17) "Withdrawal value" of an account shall mean the participation value of such an account, at the time application for withdrawal of the account is filed, less such part, if any, of the dividends or interest then credited to such account as the association is authorized to retain upon withdrawal.

(18) "Gross income" shall have the meaning ascribed to it in section 6 of this act.

(19) "Net income" shall have the meaning ascribed to it in section 7 of this act.

(20) "Federal Savings and Loan Insurance Corporation" shall mean the corporation so named, organized pursuant to an Act of Congress, or any Federal corporation, instrumentality or agency which succeeds to the powers and functions of the Federal Savings and Loan Insurance Corporation or undertakes to discharge the purposes for which said corporation was created.

(21) "Federal Home Loan Bank Board" shall mean the board so named, organized pursuant to an Act of Congress, or any Federal corporation, instrumentality or agency which succeeds to the powers and functions of the Federal Home Loan Bank Board, or which is formed to carry out the purposes for which such board was created.

(22) "Change in the bylaws" includes new bylaws and revisions, amendments, supplements and repealers of existing bylaws.

(23) "Principal office," "branch office" and "auxiliary office" shall have the meanings ascribed to them in section 8 of this act.

(24) "Agency" shall have the meaning ascribed to it in section 9 of this act.

(25) "Per capita assets" shall have the meaning ascribed to it in section 10 of this act.

(26) "Population." Where in this act the population of a municipality, a county, or the State is mentioned, the population

figure shall be the last current population estimate as furnished to the commissioner by any official agency of the State or Federal Government.

(27) "Municipality." The word municipality shall include cities, towns, townships, villages and boroughs.

(28) "First lien" shall have the meaning ascribed to it in section 11 of this act.

(29) "Foreign association" shall mean any association or corporation conducting the business of a savings and loan association, however designated, not incorporated under the provisions of this act, except a Federal association.

(30) "Department" shall mean the Department of Banking of New Jersey.

(31) "Mutual association" shall mean any State association organized pursuant to the provisions of this act without capital stock.

(32) "Capital stock association" shall have the meaning ascribed to it in section 15 of P. L. 1974, c. 137 (C. 17:12B–244).

(33) "Capital stock" shall have the meaning ascribed to it in section 15 of P. L. 1974, c. 137 (C. 17:12B–244).

(34) "Stockholder" shall have the meaning ascribed to it in section 15 of P. L. 1974, c. 137 (C. 17:12B–244).

(35) "Secondary mortgage loan" means a loan made to an individual, association, joint venture, partnership, limited partnership association, or any other group of individuals however organized, except a corporation, which is secured in whole or in part by a lien upon any interest in real property created by a security agreement, including a mortgage, indenture, or any other similar instrument or document, which real property is subject to one or more prior mortgage liens and which is used as a dwelling, including a dual purpose or combination type dwelling which is also used as a business or commercial establishment, and has accommodations for not more than 6 families, except that a loan which: (a) is to be repaid in 90 days or less; (b) is taken as security for a home repair contract executed in accordance with the provisions of P. L. 1960, c. 41 (C. 17:16C–62 et seq.); or (c) is the result of the private sale of a dwelling if title to the dwelling is in the name of the seller and the seller has resided in said dwelling for at least 1 year if the buyer is purchasing said dwelling for his own residence and, as part of the purchase price, executes a secondary mortgage in favor of the seller, shall not be included within the definition of "secondary mortgage loan."

2. Section 155 of P. L. 1963, c. 144 (C. 17:12B–155) is amended to read as follows:

C. 17:12B-155 Other loans.

155. Other loans. Other loans may be made as follows:

A. Account loans: Loans secured by a pledge of a member's savings account. No such loan shall exceed the withdrawal value of the pledged account, less interest thereon for a period of 6 months. Interest on such loans shall not be charged at a rate in excess of the maximum permitted under the provisions of R. S. 31:1–1 unless a higher rate is required by any applicable Federal regulation that establishes minimum rates that must be charged on loans secured by savings accounts; in which event, the interest charged shall not be greater than that specified by such Federal regulation.

B. Purchase of loans. An association may purchase any mortgage loan, property repair, alteration, improvement or rehabilitation loan, or any other loan which an association is authorized to make.

C. Loans secured by a mortgage upon a lease of the fee of real property. Any association may invest in any obligation secured by a mortgage which is a first lien, as defined in section 11 of this act, on a lease of the fee of real property located in this State. The term of the leasehold interest securing such loan shall be not less than 50 years from the date such loan is granted; otherwise, such loans shall be made pursuant to sections 146 through 154, 167 and 168 of this act.

D. Camp meeting leaseholds. An association may invest in any obligation secured by a first mortgage, as defined in section 11 of this act, on any leasehold estate of real estate, in this State, of any camp meeting association, to the extent authorized by, and subject to, the limitations and restrictions contained in R. S. 17:2–1.

E. Loans otherwise authorized. An association may make any other loan which it may be authorized to make by any law of this State.

F. Loans on apartments or units established under the "Horizontal Property Act" or the "Condominium Act." An association may invest in any obligation secured by a mortgage which is a first lien, as defined in section 11 of this act, on an apartment which is part of a horizontal property regime established under the "Horizontal Property Act" or upon a unit which is part of a condominium established under the "Condominium Act." All such

loans shall be made pursuant to sections 146 through 154, 167 and 168 of this act.

G. Educational loans. In addition to the authority otherwise granted by law for an association to make loans guaranteed or insured in whole or in part by the United States of America or the State of New Jersey, or any instrumentality or agency of either of them, or for which a commitment to so guarantee or insure has been made, an association may make any loans so guaranteed or insured or for which a commitment to so guarantee or insure has been made where such loans are made for the purposes of financing the expenses of higher education. Such loans may be made in accordance with the terms and conditions permitted by the guaranteeing or insuring authority, notwithstanding any other provisions of law limiting interest or other charges or prescribing other terms and conditions.

H. Loans on building lots. An association may invest in any obligation secured by a mortgage which is a first lien on a building lot, where it is represented by the borrower at the time the loan is made that he intends to build or have built a dwelling on the building lot for his own use and occupancy. The amount of such loan shall not exceed 80% of the value of the real estate as found by appraisal at the time the loan is granted and shall be a direct reduction loan as defined in section 5 of this act, which shall require periodic payments sufficient to pay the principal and interest on the loan in full over a period of 10 years or less.

I. Secondary mortgage loans. An association may make or invest in any secondary mortgage loan as defined in section 5 of P. L. 1963, c. 144 (C. 17:12B–5). Secondary mortgage loans shall be repayable in installments under the same terms and conditions as provided for secondary mortgage loan licensees under the "Secondary Mortgage Loan Act," P. L. 1970, c. 205 (C. 17:11A–34 et seq.) only with respect to maximum annual percentage rate of interest. The Commissioner of Banking shall have the power, in relation to a "secondary mortgage loan," to adopt, amend, alter or rescind regulations, the requirements of which, in his judgment, are necessary for the implementation of this subsection.

3. Section 1 of P. L. 1948, c. 67 (C. 17:9A–1) is amended to read as follows:

C. 17:9A-1 Definitions.

1. Definitions.

As used in this act, and except as otherwise expressly provided in this act:

(1) "Bank" shall include the following:

(a) Every corporation heretofore organized pursuant to the act entitled "An act concerning banks and banking (Revision of 1899)," approved March 24, 1899;

(b) Every corporation heretofore organized pursuant to the act entitled "An act concerning trust companies (Revision of 1899)," approved March 24, 1899;

(c) Every corporation heretofore organized pursuant to chapter 4 of Title 17 of the Revised Statutes;

(d) Every corporation, other than a savings bank, heretofore authorized by any general or special law of this State to transact business as a bank or as a trust company, or as both;

(e) Every corporation hereafter organized pursuant to article 2 of this act;

(2) "Banking institution" shall mean a bank, savings bank, and a national banking association having its principal office in this State;

(3) "Board of managers" of a savings bank shall include the board of trustees of a savings bank;

(4) "Capital stock" shall include both common stock and preferred stock;

(5) "Certificate of incorporation," unless the context requires otherwise, shall mean

(a) The certificate of incorporation, together with all amendments thereto, of every bank and savings bank organized pursuant to any general law of this State;

(b) The charter, together with all amendments thereto, of every bank and savings bank organized pursuant to any special law of this State;

(6) "Commissioner" shall mean the Commissioner of Banking of New Jersey;

(7) "Department" shall mean the Department of Banking of New Jersey;

(8) "Fiduciary" shall include trustee, executor, administrator, receiver, guardian, assignee, and every other person occupying any other lawful office or employment of trust;

(9) "Manager" of a savings bank shall include a trustee of a savings bank;

(10) "Municipality" shall mean a city, town, township, village, and borough of this State;

(11) "Population" shall mean the population as determined by the latest Federal census or as determined by the commissioner from other information which he may deem reliable;

(12) "Qualified bank" shall mean

(a) A bank which has heretofore been authorized or which shall hereafter be authorized to exercise any of the powers authorized by section 28;

(b) A savings bank which has heretofore been authorized or which shall hereafter be authorized to exercise any of the powers authorized by section 28; and

(c) A national banking association having its principal office in this State authorized to act as a fiduciary;

(13) "Savings bank" shall include the following:

(a) Every corporation heretofore organized pursuant to the act entitled "An act concerning savings banks," approved April 12, 1876;

(b) Every corporation heretofore organized pursuant to the act entitled "An act concerning savings banks," approved May 2, 1906;

(c) Every corporation heretofore organized pursuant to chapter 6 of Title 17 of the Revised Statutes;

(d) Every corporation, other than a bank, authorized by any general or special law of this State to carry on the business of a savings bank or institution or society for savings;

(e) Every corporation hereafter organized pursuant to article 3 of this act;

(14) "Branch office" of a bank or savings bank shall mean an office, unit, station, facility, terminal, space or receptacle at a fixed location other than a principal office, however designated, at which any business that may be conducted in a principal office of a bank or savings bank may be transacted. "Branch office" includes full branch offices, minibranch offices and communication terminal branch offices;

(15) "Full branch office" means a branch office of a bank or savings bank not subject to the limitations or restrictions imposed upon minibranch offices or communication terminal branch offices;

(16) "Minibranch office" means a branch office of a bank or savings bank which does not occupy more than 500 square feet of floor space and which does not contain more than four teller stations, manned by employees of the bank or savings bank;

(17) "Communication terminal branch office" means a branch office of a bank or savings bank which is either manned by a bona fide third party under contract to a bank or savings bank or unmanned and which consists of equipment, structure or systems, by means of which information relating to financial services rendered to the public is transmitted and through which transactions with banks and savings banks are consummated, either instantaneously or otherwise;

(18) "Secondary mortgage loan" means a loan made to an individual, association, joint venture, partnership, limited partnership association, or any other group of individuals however organized, except a corporation, which is secured in whole or in part by a lien upon any interest in real property created by a security agreement, including a mortgage indenture, or any other similar instrument or document, which real property is subject to one or more prior mortgage liens and which is used as a dwelling, including a dual purpose or combination type dwelling which is also used as a business or commercial establishment, and has accommodations for not more than six families, except that a loan which: (a) is to be repaid in 90 days or less; (b) is taken as security for a home repair contract executed in accordance with the provisions of P. L. 1960, c. 41 (C. 17:16C–62 et seq.); or (c) is the result of the private sale of a dwelling if title to the dwelling is in the name of the seller and the seller has resided in said dwelling for at least 1 year if the buyer is purchasing said dwelling for his own residence and, as part of the purchase price, executes a secondary mortgage in favor of the seller, shall not be included within the definition of "secondary mortgage loan."

4. Section 24 of P. L. 1948, c. 67 (C. 17:9A–24) is amended to read as follows:

C. 17:9A-24 Powers of banks and savings banks.

24. Powers of banks and savings banks.

Every bank and savings bank shall, subject to the provisions of this act, have the following powers, whether or not such powers are specifically set forth in its certificate of incorporation:

(1) to adopt a corporate seal, and to sue and be sued;

(2) to issue cashier's checks, treasurer's checks, and money orders; to transmit funds; to guarantee signatures and endorsements;

(3) to borrow money, and to pledge, mortgage or hypothecate its real or personal property as security therefor, and to execute and

deliver all such instruments as may be necessary to evidence such borrowing, pledge, mortgage, or hypothecation;

(4) to keep, maintain, and rent out for hire, at any location occupied by its principal office or any branch office, safe deposit boxes or other receptacles for the safekeeping of personal property. In exercising the powers authorized by this paragraph, the bank or savings bank shall have, but shall not be confined to, the same rights and remedies conferred upon safe deposit companies;

(5) to purchase, hold, lease and convey real property or any interest therein for the following purposes, and for no others:

(a) such as may be necessary or convenient for the use, operation, or housing of its principal office or any branch office, or an auxiliary office, or for the storage of records or other personal property, or for office space for use by its officers or employees, or which may be reasonably necessary for future expansion of its business, or which is otherwise reasonably incidental to the conduct of its business; and which may include, in addition to the space required for the transaction of its business, other space which may be let as a source of income. In exercising the powers conferred by this subparagraph, the bank or savings bank shall be subject to the limitations imposed by paragraph (13) of this section;

(b) such as may be conveyed to it in whole or part satisfaction of debts previously contracted in the course of its dealings;

(c) such as it shall purchase at sale under judgments and decrees in its favor, and on foreclosure of mortgages held by it; and

(d) such as it shall purchase or acquire to minimize or prevent the loss or destruction of any lien or interest therein;

provided, that all real property not held for any purpose specified in subparagraph (a) of this paragraph, shall be sold within 5 years of its acquisition, or within 5 years after the time it ceases to be held for any purpose specified in subparagraph (a) of this paragraph, unless the commissioner shall extend the time within which such sale shall be made;

(6) to be a member of the Federal Reserve System; to subscribe for, purchase, hold, and surrender such amounts of the capital stock of the Federal Reserve Bank organized within the district in which such bank or savings bank is located may be required or as may be deemed advisable by such bank or savings bank; and to have and exercise all powers, privileges and options which are conferred by law upon such members; to comply with all requirements of Federal legislation and the rules and regulations

lawfully promulgated thereunder governing such membership as such legislation and such rules and regulations may provide at the time of inception of such membership, and as the same may from time to time thereafter be amended or supplemented; and to assume and discharge all liabilities and obligations which may be required by reason of such membership;

(7) to be a member of Federal Deposit Insurance Corporation, or of any successor corporation having for its purpose the insurance of deposits, and to do all things, and assume and discharge all liabilities and obligations imposed upon such members by Federal legislation or by rules and regulations lawfully promulgated pursuant thereto, as the same may provide at the inception of such membership, or as the same may thereafter be amended or supplemented;

(8) to be a member of any Federal agency hereafter created, membership in which is open to banking institutions, and the purpose of which is to afford advantages or safeguards to banking institutions, or to their depositors, and to comply with all the requirements and conditions imposed upon such members, except that the power by this paragraph conferred shall not be exercised unless the commissioner, with the concurrence of the banking advisory board, shall make a general order authorizing banks or savings banks, or both, to become and be such members, upon such terms and conditions as may in such order be prescribed;

(9) to subscribe for, purchase and hold stock of one or more safe deposit companies which have been or may be organized to do business on or adjacent to premises occupied by the principal office or a branch office of the bank or savings bank; provided, that

(a) in the case of a savings bank, the amount so invested shall not exceed 5% of its surplus; and

(b) in the case of a bank, the amount so invested shall not exceed 10% of its capital stock and surplus; and

(c) each purchase of such stock shall first have been authorized by a resolution, stating the number of shares to be purchased and the amount to be paid therefor, adopted by its board of directors or board of managers, and, in the case of a bank, approved by a majority in interest of its stockholders at any annual or special meeting; and

(d) each purchase of such stock by a bank or savings bank shall have been approved in writing by the commissioner;

(10) to subscribe for, purchase and hold stock of not more than one fiduciary institution organized under any law of this State hereafter enacted; provided, that

(a) in the case of a savings bank, the amount so invested shall not exceed 10% of its surplus; and

(b) in the case of a bank, the amount so invested shall not exceed 20% of its capital stock and surplus; and

(c) each purchase of such stock shall first have been authorized by a resolution, stating the number of shares to be purchased and the amount to be paid therefor, adopted by its board of directors or board of managers, and, in the case of a bank, approved by a majority in interest of its stockholders at any annual or special meeting; and

(d) each purchase of such stock by a bank or savings bank shall have been approved in writing by the commissioner;

(11) to contribute to community funds, or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare, or civic betterment, or the economic advantage of the community, and to instrumentalities for the protection or advancement of the interests of banking institutions, such sums as its board of directors or board managers may deem expedient and in the interests of such bank or savings bank;

(12) to exercise all incidental powers, not specifically enumerated in this act, which shall be necessary or convenient to carry the business of the bank or savings bank;

(13) to invest in stock of a subsidiary of such bank or savings bank which holds title to real property of the kind in which such bank or savings bank could itself invest pursuant to subparagraph (a) of paragraph 5 of this section, and to make secured or unsecured loans to such subsidiary, without regard to the limitations imposed by Article 13; but no bank or savings bank shall, except with the prior approval of the commissioner (1) invest in real property pursuant to subparagraph (a) of paragraph (5) of this section; or (2) invest in the stock or other securities of such subsidiary; or (3) make a loan to such subsidiary, if the aggregate of all such investments and loans, when added to any indebtedness otherwise owing by the subsidiary, will exceed 25% of the capital funds of the bank or savings bank. As used in this paragraph, "subsidiary" of a bank or savings bank means a corporation all of whose capital stock and other securities having voting rights are owned by such bank or savings bank, and whose powers are limited by its certificate of incorporation, to the acquiring, holding, managing, selling, leasing, mortgaging, altering, improving and otherwise dealing in and with real property of the kind in which the bank or savings

bank could itself invest pursuant to subparagraph (a) of paragraph (5) of this section; and "capital funds" means the aggregate of the capital stock, the principal amount owing on all capital notes, surplus and undivided profits of a bank, and the aggregate of the capital deposits, if any, and the surplus of a savings bank. Every subsidiary of a bank or savings bank shall be subject to examination by the commissioner as provided in the case of banks and savings banks pursuant to sections 260, 261, 262, 263 and 335, and the ultra vires or unlawful act of a subsidiary of a bank or savings bank shall be deemed to be the ultra vires or unlawful act of such bank or savings bank for the purposes of Article 42. In determining whether to give or withhold approval of an investment or loan in excess of the limitation imposed by this paragraph, the commissioner shall consider whether the making of such loan or investment is consistent with sound banking practice, having regard to (1) the ratio between the aggregate of such loans and investments and the capital funds of the bank or savings bank; (2) the benefits to the bank or savings bank reasonably to be anticipated from such investment or such loan; (3) the ratio between such aggregate capital funds and total deposits; and (4) such other factors as the commissioner shall consider germane to the protection of deposits. A violation of any provision of this paragraph by any bank, savings bank, or subsidiary of a bank or savings bank, shall not impair the validity or sufficiency of any deed of conveyance, mortgage, or lease made by such bank, savings bank, or subsidiary, of any real property owned by it; nor shall any other interest in such real property, acquired by or vested in any person claiming through or under such bank, savings bank, or subsidiary, or to which such person may be entitled, be impaired by reason of such violation;

(14) to make or invest in any secondary mortgage loan is defined in section 1 of P. L. 1948, c. 67 (C. 17:9A–1). Secondary mortgage loans shall be repayable in installments under the same terms and conditions as provided for secondary mortgage loan licensees under the "Secondary Mortgage Loan Act," P. L. 1970, c. 205 (C. 17:11A–34 et seq.) only with respect to maximum term, maximum loan amount and maximum annual percentage rate of interest. The Commissioner of Banking shall have the power, in relation to a "secondary mortgage loan," to adopt, amend, alter or rescind regulations, the requirements of which, in his judgment, are necessary for the implementation of this paragraph.

C. 17:1-12 Report to legislature.

5. (New section) The Commissioner of Banking shall, on or before March 31 of each year, report to the Legislature on the impact of P. L. 1981, c. 74, on the consumers of this State.

6. This act shall take effect immediately.

Approved March 23, 1981.

CHAPTER 75

AN ACT concerning certain county and municipal offices and amending sections 40A:9–25, 40A:9–152.1, 40A:9–161, 40A:14–19, 40A:14–22, 40A:14–147 and 40A:14–150 of the New Jersey Statutes and section 3 of P. L. 1977, c. 39.

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

1. N. J. S. 40A:9–25 is amended to read as follows:

County officers and employees; removal; procedure.

40A:9–25. In any county wherein Title 11 (Civil Service) of the Revised Statutes is not operative and unless otherwise provided by law, any officer or employee of such county who shall be removable from his office or position only for cause, shall not be removed from his office or position until after written charges of the cause of complaint shall have been preferred against him, signed by the person making such charges. The complaint shall be filed with the governing body of the county and a copy thereof shall be served upon the officer or employee so charged, with notice of a designated time and place for the hearing thereon, which shall be no sooner than 10 days nor later than 30 days from the service of the complaint. At the hearing such officer or employee may be represented by counsel.

The governing body and the person so charged shall have the power to subpena witnesses and documentary evidence. The governing body shall prescribe the rules and regulations for the conduct of the hearing.

No officer or employee shall be removed from his office or position for political reasons.

The Superior Court shall have jurisdiction to review the determination of the governing body and shall hear the cause de novo on the record below. Either party may supplement the record with additional testimony subject to the rules of evidence. The court may either affirm, reverse or modify the conviction.

2. Section 3 of P. L. 1977, c. 39 (C. 40A:9–140.9) is amended to read as follows:

C. 40A:9-140.9 Complaint; hearing.

3. The complaint shall be filed with the municipal clerk and a certified copy thereof shall be served upon the person so charged, with notice of a designated hearing date before the members of the governing body, which shall be not less than 10 days nor later than 30 days from the date of service of the complaint. The hearing date shall be fixed by resolution of the governing body.

The person so charged by the governing body shall have the right to be represented by counsel and the power to subpena witnesses and documentary evidence.

The Superior Court shall have jurisdiction to review the determination of the governing body which court shall hear the cause de novo on the record below and affirm, modify or set aside such determination.

Either party may supplement the record with additional testimony subject to the rules of evidence.

3. N. J. S. 40A:9–152.1 is amended to read as follows:

Removal of municipal treasurer; filing of complaint; hearing.

40A:9–152.1. Any removal of a municipal treasurer having tenure in office shall be upon a written complaint setting forth the charge or charges against him.

The complaint shall be filed with the municipal clerk and a certified copy thereof shall be served upon the person so charged, with notice of a designated hearing date before the members of the governing body, which shall be not less than 10 days nor later than 30 days from the date of service of the complaint. The said hearing date shall be fixed by resolution of the governing body.

The person so charged and the governing body shall have the right to be represented by counsel and the power to subpena witnesses and documentary evidence.

The Superior Court shall have jurisdiction to review the determination of the governing body which court shall hear the cause

de novo on the record below and affirm, modify or set aside such determination.

Either party may supplement the record with additional testimony subject to the rules of evidence.

4. N. J. S. 40A:9–161 is amended to read as follows:

Removal of municipal officials and employees; procedure.

40A:9–161. In any municipality wherein Title 11 (Civil Service) of the Revised Statutes is not operative and unless otherwise provided by law, no officer or employee of such municipality who has tenure in office shall be removed from his office or position except upon written charges, signed by the person making such charges. The complaint shall be filed with the governing body of such municipality and a copy thereof shall be served upon the officer or employee so charged, with notice of a designated time and place for the hearing thereon which shall be not less than 10 days nor later than 30 days from the service of the complaint.

The officer or employee so charged and the governing body shall have the right to be represented by counsel and the power to subpena witnesses and documentary evidence. The governing body shall prescribe rules and regulations for the conduct of the hearing.

No such officer or employee shall be removed from his office or position for political reasons or except as otherwise provided by law, because of a change in the form of government.

The Superior Court shall have jurisdiction to review the determination of the governing body, which court shall hear the cause de novo on the record below and affirm, modify or set aside the determination.

Either party may supplement the record with additional testimony subject to the rules of evidence.

5. N. J. S. 40A:14–22 is amended to read as follows:

Conviction of fire officer; review by court.

40A:14–22. Any member or officer of a paid or part-paid fire department or force in a municipality wherein Title 11 (Civil Service) of the Revised Statutes is not in operation, who has been tried and convicted upon any charge or charges may obtain a review thereof by the Superior Court. Such review shall be obtained by serving a written notice of an application therefor upon the officer or board whose action is to be reviewed within 10 days after written notice

to the member or officer of the conviction. The officer or board shall transmit to the court a copy of the record of such conviction, and of the charge or charges for which the applicant was tried. The court shall hear the cause de novo on the record below and may either affirm, reverse or modify such conviction. If the applicant shall have been removed from his office, employment or position the court may direct that he be restored to such office, employment or position and to all his rights pertaining thereto, and may make such other order or judgment as said court shall deem proper.

Either party may supplement the record with additional testimony subject to the rules of evidence.

6. N. J. S. 40A:14–150 is amended to read as follows:

Conviction of police officer; review by court.

40A:14–150. Any member or officer of a police department or force in a municipality wherein Title 11 (Civil Service) of the Revised Statutes is not in operation, who has been tried and convicted upon any charge or charges, may obtain a review thereof by the Superior Court. Such review shall be obtained by serving a written notice of an application therefor upon the officer or board whose action is to be reviewed within 10 days after written notice to the member or officer of the conviction. The officer or board shall transmit to the court a copy of the record of such conviction, and of the charge or chargss for which the applicant was tried. The court shall hear the cause de novo on the record below and may either affirm, reverse or modify such conviction. If the applicant shall have been removed from his office, employment or position the court may direct that he be restored to such office, employment or position and to all his rights pertaining thereto, and may make such other order or judgment as said court shall deem proper.

Either party may supplement the record with additional testimony subject to the rules of evidence.

7. N. J. S. 40A:14–19 is amended to read as follows:

Removal or suspension of fire officer; procedure.

40A:14–19. Except as otherwise provided by law no permanent member or officer of the paid or part-paid fire department or force shall be removed from his office, employment or position for political reasons or for any cause other than incapacity, misconduct, or disobedience of rules and regulations established for the government of the paid or part-paid fire department and force, nor shall such member or officer be suspended, removed, fined or reduced in

rank from or in office, employment or position therein except for just cause as hereinabove provided and then only upon a written complaint, setting forth the charge or charges against such member or officer. Said complaint shall be filed in the office of the body, officer or officers having charge of the department or force wherein the complaint is made and a copy thereof shall be served upon the member or officer so charged, with notice of a hearing thereon designating its time and place by the proper authorities, which shall be not less than 10 nor more than 30 days from the date of service of the complaint. A failure to substantially comply with said provisions as to the service of the complaint shall require a dismissal of the complaint.

8. N. J. S. 40A:14–147 is amended to read as follows:

Removal or suspension of police officer; procedure.

40A:14–147. Except as otherwise provided by law, no permanent member or officer of the police department or force shall be removed from his office, employment or position for political reasons or for any cause other than incapacity, misconduct, or disobedience of rules and regulations established for the government of the police department and force, nor shall such member or officer be suspended, removed, fined or reduced in rank from or in office, employment, or position therein, except for just cause as hereinbefore provided and then only upon a written complaint setting forth the charge or charges against such member or officer. Said complaint shall be filed in the office of the body, officer or officers having charge of the department or force wherein the complaint is made and a copy shall be served upon the member or officer so charged, with notice of a designated hearing thereon by the proper authorities, which shall be not less than 10 nor more than 30 days from date of service of the complaint. A failure to comply with said provisions as to the service of the complaint shall require a dismissal of the complaint.

9. This act shall take effect immediately.

Approved March 23, 1981.

CHAPTER 76

A SUPPLEMENT to the "New Jersey State Health Benefits Program Act," approved June 3, 1961 (P. L. 1961, c. 49; C. 52:14–17.25 et seq.) as said short title was amended by P. L. 1972, c. 75.

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

1. Notwithstanding any provisions of P. L. 1961, c. 49 (C. 52:14–17.25 et seq.) to the contrary, or anything contained in any regulation promulgated pursuant thereto to the contrary, the commission shall permit retired employees who retired on a disability pension and who are otherwise eligible for coverage pursuant to section 8 of P. L. 1961, c. 49 (C. 52:14–17.32), but who did not elect to continue coverage upon retirement to reenroll themselves and their dependents in the program during a 180-day period commencing on the effective date of this act, at the rates and upon the terms provided in section 8 of P. L. 1961, c. 49 (C. 52:14–17.32).

2. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 77

AN ACT to authorize certain municipalities to impose a hotel occupancy tax.

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

C. 40:48E-1 Short title.

1. This act shall be known and may be cited as the "Hotel Occupancy Tax Act."

C. 40:48E-2 Definition.

2. As used in this act "hotel" means a building or portion of it which is regularly used and kept open as such for the lodging of guests, and includes an apartment hotel, a motel, boarding house or club, whether or not meals are served.

C. 40:48E-3 Additional tax may be imposed.

3. The governing body of any city of the first class may make, amend, repeal and enforce an ordinance imposing in the city a tax, not to exceed 6%, on charges for the use or occupation of rooms in hotels which tax shall be in addition to any other tax imposed by law.

C. 40:48E-4 Collection of tax.

4. a. The tax shall be collected on behalf of the city by the person collecting the use or occupancy charge from the hotel customer.

b. Every person required to collect any tax imposed by the ordinance shall be personally liable for the tax imposed, collected or required to be collected hereunder. Any such person shall have the same right in respect to collecting the tax from his customer as if the tax were a part of the use or occupancy charge and payable at the same time; provided, however, that the chief fiscal officer of the city shall be joined as a party in any action or proceeding brought to collect the tax.

c. No person required to collect any tax hereunder shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the tax will not be separately charged and stated to the customer or that the tax will be refunded to the customer.

d. All revenues collected from the tax shall be remitted to the chief fiscal officer of the city on or before the dates on which municipal real property taxes are due.

e. The city shall enforce the payment of delinquent hotel occupancy taxes in the same manner as provided for municipal real property taxes.

C. 40:48E-5 Deductions.

5. The owner of any hotel subject to real property taxation shall be permitted to deduct from the real property tax installments, or the payments in lieu of taxes or the service charges due on the hotel for any year the amount of the use or occupancy tax paid on account of the property since the preceding installment. If the deduction is greater than the real property tax due, the surplus shall be credited to the next installment.

C. 40:48E-6 Tax imposed additional.

6. The tax imposed hereunder shall be in addition to the tax imposed by the "Sales and Use Tax Act" (P. L. 1966, c. 30, C. 54:32B–1 et seq.).

7. This act shall take effect 90 days after enactment.

Approved March 25, 1981.

CHAPTER 78

AN ACT concerning conservation, repealing certain statutes and supplementing Title 13 of the Revised Statutes.

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

Repealer.

1. The following are repealed:
R. S. 13:3–1 to 13:3–7 inclusive;
R. S. 13:4–2, 13:4–3, 13:4–5 and 13:4–7;
R. S. 13:6–1;
R. S. 13:7–1;
R. S. 13:8–27 and 13:8–28;
P. L. 1951, c. 343 (C. 13:2A–1 to C. 13:2A–5 inclusive);
P. L. 1937, c. 77 (saved from repeal by R. S. 13:4–7);
P. L. 1940, c. 182 (C. 13:5A–1 to C. 13:5A–7 inclusive);
P. L. 1926, c. 326 (saved from repeal by R. S. 13:6–1);
P. L. 1941, c. 168 (C. 13:6A–1 to C. 13:6A–7 inclusive);
P. L. 1950, c. 40, s. 3 (C. 13:7–2);
R. S. 13:1–3 to R. S. 13:1–7 inclusive;
R. S. 13:1–9;
R. S. 13:1–11;
R. S. 13:1–13;
R. S. 13:1–15;
R. S. 13:1–17;
R. S. 13:1–21;
R. S. 13:2–1 to R. S. 13:2–4 inclusive;
R. S. 13:5–4 to R. S. 13:5–8 inclusive;
R. S. 13:5–11;
R. S. 13:8–3;
R. S. 13:8–6 and R. S. 13:8–7;
R. S. 13:8–9;
R. S. 13:8–11 to R. S. 13:8–14 inclusive;
R. S. 13:8–19;
R. S. 13:10–3 and R. S. 13:10–4;
R. S. 13:10–6;
P. L. 1939, c. 192 (C. 13:8–21.1);
P. L. 1945, c. 22, ss. 1 to 8 (C. 13:1A–1 to 13:1A–8);
P. L. 1945, c. 22, ss. 10 to 28 (C. 13:1A–10 to 13:1A–28);
P. L. 1945, c. 22, ss. 30 to 45 (C. 13:1A–30 to 13:1A–45);

P. L. 1946, c. 299 (C. 13:1A–32.1);
P. L. 1948, c. 448, s. 1 (C. 13:1B–1);
P. L. 1948, c. 448, ss. 6 and 7 (C. 13:1B–6 and 13:1B–7);
P. L. 1948, c. 448, s. 9 (C. 13:1B–9);
P. L. 1948, c. 448, ss. 11 and 12 (C. 13:1B–11 and 13:1B–12);
P. L. 1948, c. 448, s. 16 (C. 13:1B–14);
P. L. 1948, c. 448, s. 98 (C. 13:1B–47);
P. L. 1948, c. 448, ss. 102 to 113 (C. 13:1B–51 to 13:1B–62);
P. L. 1948, c. 448, s. 115 (C. 13:1B–64);
P. L. 1948, c. 448, ss. 117 and 118 (C. 13:1B–66 and 13:1B–67);
P. L. 1948, c. 448, s. 123 (C. 13:1B–72);
P. L. 1952, c. 18 (C. 13:2–5 to 13:2–10);
P. L. 1952, c. 327 (C. 13:1B–28.1);
P. L. 1952, c. 347 (C. 13:1B–22.1);
P. L. 1957, c. 115 (C. 13:1B–73 and 13:1B–74);
P. L. 1973, c. 363 (C. 13:1I–9 and 13:1I–10).

2. a. All of the functions, powers and duties provided in any law or section thereof repealed by this act and heretofore transferred by law to an existing department or agency thereof shall continue to be exercised or performed by that department or agency.

b. Nothing in this act shall be construed to relinquish or impair any interest in land acquired by the State pursuant to any law or section thereof repealed by this act.

3. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 79

AN ACT concerning annual organization or reorganization meetings of certain municipal governing bodies and amending P. L. 1956, c. 176, approved December 20, 1956.

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

1. Section 1 of P. L. 1956, c. 176 (C. 40:45A–1) is amended to read as follows:

C. 40:45A-1 Organization or reorganization meetings of municipal governing bodies.

1. Notwithstanding any other provision of law, the governing body of a municipality in which any of the members of the governing body are elected for terms commencing January 1 may, by ordinance, fix the date and time of its annual organization or reorganization meeting at 12 o'clock noon on January 1, or at some other hour on any day during the first week in January.

2. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 80

AN ACT concerning motor vehicle special learner's permits for handicapped persons and amending section 6 of P. L. 1977, c. 25 (C. 39:3–13.2a).

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

1. Section 6 of P. L. 1977, c. 25 (C. 39:3–13.2a) is amended to read as follows:

C. 39:3-13.2a Retention of special learner's permit; validity.

6. Any person to whom a special learner's permit has been issued pursuant to section 1 of P. L. 1950, c. 127 (C. 39:3–13.1), upon attaining 16 years and 6 months of age, or upon successful completion prior thereto of a behind-the-wheel driving course conducted by a licensed drivers' school or of a public, parochial or private school driving education course, shall be entitled to retain the special learner's permit in his own possession. Such person may operate a motor vehicle of the class for which a basic driver's license is required during the hours between sunrise and sunset while in the company and under the control of a licensed motor vehicle driver of this State who has had at least 3 years' experience as a licensed motor vehicle driver. Such special permit shall be valid for 90 days after such person's seventeenth birthday or until the completion of the road test portion of his license examination, whichever period is shorter; provided, however, that a special permit issued to a handicapped person, as determined by the Division of Motor Vehicles after consultation with the Department

of Education, shall be valid for 9 months after such person's seventeenth birthday or until the completion of the road test portion of his license examination, whichever period is shorter.

2. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 81

AN ACT concerning the disposal of solid waste, and supplementing the "Solid Waste Management Act," approved May 6, 1970 (P. L. 1970, c. 39, C. 13:1E–1 et seq.), as said short title was amended by P. L. 1975, c. 326.

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

C. 13:1E-15.1 Solid waste disposal facility; hours of operation; exemption.

1. Notwithstanding the provisions of P. L. 1970, c. 40 (C. 48:13A–1 et seq.) or any other law, rule or regulation to the contrary, no solid waste disposal facility located in or within 1,000 feet of any area zoned residential, other than a resource recovery facility, a baling facility and its related operations, a transfer station, or a recycling facility, shall be operated on any day before 7:00 a.m. or after 7:00 p.m.; provided, however, the department, upon finding that the public health, safety or welfare so requires, is authorized to exempt any solid waste disposal facility from the provisions of this supplementary act.

2. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 82

AN ACT directing the Department of Labor and Industry to conduct a study as to the best means of providing encouragement and assistance to the formulation, under certain circumstances, of employee stock ownership plans and to the organization under such plans of employee stock ownership trusts, and to develop a plan for providing such encouragement and assistance, and making an appropriation therefor.

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

C. 34:1B-30 Legislature's findings.

1. The Legislature finds:

a. During the past decade, a number of industrial plants and other facilities located in this State have permanently terminated operations or relocated operations to sites in other states or abroad; and,

b. These terminations and relocations have had a serious and undesirable impact upon the economies of the communities in which they have occurred and upon the State as a whole, lowering the value of land and improvements which are abandoned or devoted to less intensive uses than formerly; reducing employment, business and personal income, and the resources of the State to the extent these depend thereon; and increasing claims upon those resources; and,

c. Even more important than the impact of these closings on the general State economy and the public sector are the social and personal costs to working persons and their families of confronting the forbidding alternatives of, on the one hand, permanent unemployment, and on the other, either extensive mid-career retraining or forced relocation or both; and,

d. In a small number of cases across the nation, employees have met the threat of plant shutdown by collectively establishing a stock ownership trust to purchase the facility in question and to continue its operations under the direction of a trusteeship acting on behalf of the employee owners; and,

e. These trusts can serve to save jobs, continue economic development otherwise likely to be suspended and promote within the

private enterprise system the goal of worker participation in the risks and rewards of equity ownership; and,

f. In view of the facts hereinabove cited, and further in view of the avowed public policy of the Executive and Legislative branches to preserve and expand manufacturing and other economic activity in the State, the Legislature finds that a high priority must be given by relevant State agencies to the provision of technical and administrative assistance to workers seeking to save jobs by forming employee stock ownership trusts.

C. 34:1B-31 Short title.

2. This act shall be known and may be cited as the "Worker Owned Corporation Study Act".

C. 34:1B-32 Study by department.

3. The Department of Labor and Industry is directed to undertake a study as to the best means of providing encouragement and assistance to the formulation of employee stock ownership plans providing for the partial or total acquisition, through purchase, distribution in lieu of compensation or a combination of these or any other lawful means, of shares of stock or other instruments of equity in facilities by persons employed at these facilities in cases in which operations at these facilities would, absent employee equity ownership, be terminated, relocated outside of the State, or so reduced in volume as to entail the permanent layoff of a substantial number of the employees.

C. 34:1B-33 Conduct of study.

4. In conducting its study, the department shall: a. consider Federal and State law relating directly or indirectly to these plans, and to the organization and operation of any trusts established pursuant thereto, including but not limited, to the Federal Internal Revenue Code and any regulations promulgated thereunder, the Federal Securities Act of 1933 and other Federal statutes providing for regulation of the issuance of securities, the Federal Employee Retirement Income Security Act of 1974, the Chrysler loan guarantee legislation enacted by the United States Congress in 1979, and other Federal and State laws relating to employment, compensation, taxation and retirement; b. consult with relevant persons in the public sector, including but not limited to, officers and employees of the New Jersey Economic Development Authority and of the Division of Economic Development in the Department of Labor and Industry, with relevant persons in the private sector, including trustees of any existing employee stock ownership trust

and employees of any firm operating under such a trust, and with members of the academic community and of relevant branches of the legal profession; c. examine the experience of trusts organized pursuant to an employee stock ownership plan in this State or in any other state; and, d. make other investigations as it may deem necessary in carrying out the purposes of this act.

C. 34:1B-34 Development of plan by department.

5. Pursuant to the findings and conclusions of the study conducted as provided in sections 3. and 4. of this act, the Department of Labor and Industry shall develop a plan to encourage and assist the formulation of employee stock ownership plans providing for the acquisition by employees thereof of facilities in this State which are subject to closure or drastically curtailed operation and shall determine the amount of any costs of implementing the plan.

C. 34:1B-35 Report to legislature.

6. The Commissioner of the Department of Labor and Industry shall within 1 year of the effective date of this act report the findings and conclusions of the study, together with details of the plan developed pursuant thereto, to the Legislature, and shall include in his report any recommendations for legislation which he deems appropriate. Thereafter the commissioner shall annually submit to the Legislature a report concerning the formation of new employee stock ownership trusts and the operation of existing employee stock ownership trusts in this State, and shall include in the report an account of State activity, during the previous year, in connection with these trusts.

7. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 83

AN ACT to amend "An act to limit and regulate child labor in this State; to provide for examinations and inspections under the provisions of this act; to provide for the enforcement of this act and regulations made thereunder; to prescribe penalties for the violation thereof; and to repeal other acts," approved June 25, 1940 (P. L. 1940, c. 153).

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

1. Section 17 of P. L. 1940, c. 153 (C. 34:2–21.17) is amended to read as follows:

C. 34:2-21.17 Employment of minors; prohibitions.

17. No minor under 16 years of age shall be employed, permitted or suffered to work in, about, or in connection with power-driven machinery.

No minor under 18 years of age shall be employed, permitted or suffered to work in, about, or in connection with the following:

The manufacture or packing of paints, colors, white lead, or red lead;

The handling of dangerous or poisonous acids or dyes; injurious quantities of toxic or noxious dust, gases, vapors or fumes;

Work involving exposure to benzol or any benzol compound which is volatile or which can penetrate the skin;

The manufacture, transportation or use of explosives or highly inflammable substances;

Oiling, wiping, or cleaning machinery in motion or assisting therein;

Operation or helping in the operation of power-driven woodworking machinery; provided, that apprentices operating under conditions of bona fide apprenticeship may operate such machines under competent instruction and supervision;

Grinding, abrasive, polishing or buffing machines; provided, that apprentices operating under conditions of bona fide apprenticeship may grind their own tools;

Punch presses or stamping machines if the clearance between the ram and the dye or the stripper exceeds ¼ inch;

Cutting machines having a guillotine action;

Corrugating, crimping or embossing machines;

Paper lace machines;

Dough brakes or mixing machines in bakeries or cracker machinery;

Calender rolls or mixing rolls in rubber manufacturing;

Centrifugal extractors, or mangles in laundries or dry cleaning establishments;

Ore reduction works, smelters, hot rolling mills, furnaces, foundries, forging shops, or any other place in which the heating, melting, or heat treatment of metals is carried on;

Mines or quarries;

Steam boilers carrying a pressure in excess of 15 pounds;

Construction work of any kind;

Fabrication or assembly of ships;

Operation or repair of elevators or other hoisting apparatus;

The transportation of payrolls other than within the premises of the employer.

No minor under 18 years of age shall be employed, permitted, or suffered to work in, about, or in connection with any establishment where alcoholic liquors are distilled, rectified, compounded, brewed, manufactured, bottled, or are sold for consumption on the premises, or in a pool or billiard room; provided, however, this section shall not apply to minors 16 years of age or over, employed as pinsetters only in public bowling alleys as provided in section 3 hereof. Minors 14 years of age or over may be employed as golf course caddies and pool attendants.

No girl under the age of 18 years shall be employed, permitted, or suffered to work as a messenger in the distribution or delivery of goods or messages for any person, firm or corporation engaged in the business of transmitting or delivering goods or messages.

No minor under 18 years of age shall be employed, permitted, or suffered to work in any place of employment, or at any occupation hazardous or injurious to the life, health, safety, or welfare of such minor, as such occupation shall, from time to time, be determined and declared by the Commissioner of Labor and Industry to be hazardous or injurious to the life, health, safety, or welfare of such minors, after a public hearing thereon and after such notice as the commissioner may by regulation prescribe. None of the provisions of this section regarding employment in connection with alcoholic liquors shall be construed to prevent the employment of minors between 16 and 18 years of age or more in a restaurant as defined in section 1 and as provided for in section 3 of this act, or in the executive offices, maintenance departments, or pool or beach areas of a hotel, motel or guesthouse; provided, however, that no minor shall engage in the preparation, sale or serving of alcoholic beverages, nor in the sale of cigarettes or other tobacco products, nor in the preparation or sale of photographs, nor in any dancing or theatrical exhibition or performance while so employed.

Nothing in this section shall be deemed to apply to the work done by pupils in public or private schools of New Jersey, under the

supervision and instruction of officers or teachers of such organizations or schools, or to a child who is at least 17 years of age employed in the type of work in which he majored under the conditions of the special vocational school graduate permit provided in section 15 of this act (C. 34:2–21.15).

Nothing in this section shall be construed to prevent minors 16 years of age or older who are members of a Junior Firemen's Auxiliary, created pursuant to N. J. S. 40A:14–95, from engaging in any activities authorized by N. J. S. 40A:14–98.

2. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 84

AN ACT designating a day to be observed as "Volunteer First Aid and Rescue Squad Day" and supplementing Title 36 of the Revised Statutes.

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

C. 36:1-9 Volunteer first aid and rescue squad day; designation.

1. For the purpose of paying special tribute to volunteer first aid and rescue squads, the third Sunday in January in each year is designated for the general observance of that purpose and shall be known as "Volunteer First Aid and Rescue Squad Day."

2. This act shall take effect immediately.

Approved March 25, 1981.

CHAPTER 85

AN ACT to amend the title of "An act concerning deductions from the taxes assessed against certain real property of citizens and residents of this State of the age of 65 or more years, or less than 65 years of age who are permanently and totally disabled, and their surviving spouses in certain cases, having incomes not in excess of $5,000.00 per year, providing for reimbursement by the State to taxing districts in connection therewith, supplementing chapter 4 of Title 54 of the Revised Statutes and repealing P. L. 1961, c. 9," approved December 16, 1963 (P. L. 1963, c. 172), as said title was amended by P. L. 1976, c. 129, so that the same shall read, "An act concerning deductions from the taxes assessed against certain real property of citizens and residents of this State of the age of 65 or more years, or less than 65 years of age who are permanently and totally disabled, and their surviving spouses in certain cases, having annual incomes not in excess of certain limitations, providing for full reimbursement by the State to taxing districts in connection therewith, supplementing chapter 4 of Title 54 of the Revised Statutes and repealing P. L. 1961, c. 9," to amend and supplement the body of said act and amending P. L. 1964, c. 255.

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

Title amended.

1. The title of P. L. 1963, c. 172 is amended to read as follows:

"An act concerning deductions from the taxes assessed against certain real property of citizens and residents of this State of the age of 65 or more years, or less than 65 years of age who are permanently and totally disabled, and their surviving spouses in certain cases, having annual incomes not in excess of certain limitations, providing for full reimbursement by the State to taxing districts in connection therewith, supplementing chapter 4 of Title 54 of the Revised Statutes and repealing P. L. 1961, c. 9."

2. Section 2 of P. L. 1963, c. 172 (C. 54:4–8.41) is amended to read as follows:

C. 54:4-8.41 Tax deduction allowed.

2. Every person, a citizen and resident of this State of the age of 65 or more years, or less than 65 years of age who is permanently and totally disabled, having an annual income not in excess of limitations provided in this section and residing in a dwelling house owned by him which is a constituent part of his real property, shall be entitled, annually, on proper claim being made therefor, to a deduction against the tax or taxes assessed against such real property to an amount not exceeding the amount of said tax, or the sum provided in this section, whichever is the lesser, but no such deduction from taxes shall be in addition to any other deduction or exemption from taxes to which said person may be entitled, except said citizen and resident may receive in addition any homestead rebate or credit provided by law.

For the purposes of this section, the annual income limitation shall be: $5,000.00 for any year prior to 1981; $8,000.00 for the year 1981; $9,000.00 for the year 1982; and, $10,000.00 for the year 1983 and each year thereafter.

The sum deducted pursuant to this section shall not exceed: in any year prior to 1981, $160.00; in the year 1981, $200.00; in the year 1982, $225.00; and, in the year 1983 and in each year thereafter, $250.00.

For the purposes of this act the income of a married person shall be deemed to include an amount equal to the income of the spouse during the applicable income year, except for such portion of that year as the two were living apart in a state of separation, whether under judicial decree or otherwise.

3. Section 5 of P. L. 1963, c. 72 (C. 54:4–8.44) is amended to read as follows:

C. 54:4-8.44 Facts essential to support claim.

5. Every fact essential to support a claim for a deduction hereunder shall exist on October 1 of the pretax year, except as in this section otherwise provided. Every application by a claimant therefor shall establish that he is or will be on or before December 31 of the pretax year 65 or more years of age or on that date was permanently and totally disabled, and that he was, on October 1 of the pretax year, (a) a citizen and resident of this State for the period required, (b) the owner of a dwelling house which is a constituent part of the real property for which the deduction is claimed, (c) residing in said dwelling house. Said application shall also establish that his anticipated income,

including the income of his or her spouse, for the tax year will not exceed the applicable annual income limitation set forth in section 2 of P. L. 1963, c. 172 (C. 54:4–8.41). In the case of a claim for a deduction by a person who is permanently and totally disabled, said application shall include a physician's certificate verifying the claimant's permanent and total disability. The Director of the Division of Taxation may promulgate rules and regulations prescribing the form and content of the certificate.

In the case of claims for a deduction authorized by section 4 of this amendatory and supplementary act every application by a claimant therefor shall establish that he is or will be on or before December 31 of the pretax year 55 or more years of age and was 55 or more years of age at the time of the death of the decedent and unmarried and that he was, on October 1 of the pretax year, (a) a citizen and resident of this State for the period required, (b) the owner of a dwelling house which is a constituent part of the real property for which the deduction is claimed, (c) residing in said dwelling house. Said application shall also establish that his anticipated income for the tax year will not exceed the applicable annual income limitation. The collector or the assessor of the taxing district as the case may be shall establish whether the deceased spouse of the claimant received a deduction.

4. Section 5 of P. L. 1964, c. 255 (C. 54:4–8.44a) is amended to read as follows:

C. 54:4-8.44a Filing of statement.

5. Every person who is allowed a deduction shall, except as hereinafter provided, be required to file with the collector of the taxing district on or before February 1 of the post-tax year a statement under oath of his income for the tax year and his anticipated income for the ensuing tax year as well as any other information deemed necessary to establish his right to a tax deduction for such ensuing tax year. The collector may grant a reasonable extension of time for filing the statement required by this section, which extension shall terminate no later than March 1 of the post-tax year, in any event where it shall appear to the satisfaction of the collector, verified by a physician's certificate, that the failure to file by February 1 was due to illness. In any case where such an extension is granted by the collector, the required statement shall be filed on or before March 1 of the post-tax year.

Such statement shall be on a form prescribed by the Director, Division of Taxation, in the Department of the Treasury and pro-

vided for the use of persons required to make such statement by the governing body of the municipality constituting the taxing district in which such statement is required to be filed. Each collector may require the submission of such proof as he shall deem necessary to verify any such statement. Upon the failure of any such person to file the statement within time herein provided or to submit such proof as the collector deems necessary to verify a statement that has been filed, or if it is determined that the income of any such person exceeded the applicable income limitation for said tax year, his tax deduction for said tax year shall be disallowed and his taxes to the extent represented by the amount of said deduction shall be payable on or before March 1 of the post-tax year or, where an extension of time for filing has been granted no later than 30 calendar days after the expiration of said extension, after which date if unpaid, said taxes shall be delinquent, constitute a lien on the property, and, in addition, the amount of said taxes shall be a personal debt of said person.

The amount of any lien and tax liability shall be prorated by the tax collector upon the transfer of title based on the number of days during the tax year that entitlement to the tax deduction is established. The lien shall be considered satisfied by the tax collector upon payment of the prorated amount for that portion of the tax year for which entitlement to the tax deduction is not established.

C. 54:4-8.53a Annual reimbursement.

5. (New section) The State shall annually reimburse each taxing district for the full amount of any deductions permitted by that taxing district in the current tax year pursuant to the act of which this act is amendatory and supplementary.

6. This act shall take effect immediately and shall be applicable with respect to taxes assessed for the tax year 1981 and thereafter.

Approved March 26, 1981.

CHAPTER 86

AN ACT concerning deductions from real property taxes and amending P. L. 1963, c. 172 and P. L. 1976, c. 129.

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

1. Section 2 of P. L. 1963, c. 172 (C. 54:4–8.41) is amended to read as follows:

C. 54:4-8.41 Tax deduction allowed.

2. Every person, a citizen and resident of this State of the age of 65 or more years, or less than 65 years of age who is permanently and totally disabled, having an annual income not in excess of the limitations provided in this section and residing in a dwelling house owned by him which is a constituent part of his real property or residing in a dwelling house owned by him which is assessed as real property but which is situated on land owned by another or others, shall be entitled, annually, on proper claim being made therefor, to a deduction against the tax or taxes assessed against such real property, to an amount not exceeding the amount of said tax, or the sum provided in this section, whichever is the lesser, but no such deduction from taxes shall be in addition to any other deduction or exemption from taxes to which said person may be entitled, except said citizen and resident may receive in addition any homestead rebate or credit provided by law.

For the purposes of this section, the annual income limitation shall be: $5,000.00 for any year prior to 1981; $8,000.00 for the year 1981; $9,000.00 for the year 1982; and, $10,000.00 for year 1983 and each year thereafter.

The sum deducted pursuant to this section shall not exceed: in any year prior to 1981, $160.00; in the year 1981, $200.00; in the year 1982, $225.00; and, in the year 1983 and in each year thereafter, $250.00.

For the purposes of this act:

a. The income of a married person shall be deemed to include an amount equal to the income of the spouse during the applicable income year, except for such portion of that year as the two were living apart in a state of separation, whether under judicial decree or otherwise,

b. The requirement of ownership shall be satisfied by the holding of a beneficial interest in the dwelling house where legal title thereto is held by another who retains a security interest in the dwelling house.

2. Section 5 of P. L. 1963, c. 172 (C. 54:4–8.44) is amended to read as follows:

C. 54:4-8.44 Facts essential to support claim.

5. Every fact essential to support a claim for a deduction hereunder shall exist on October 1 of the pretax year, except as in this section otherwise provided. Every application by a claimant therefor shall establish that he is or will be on or before December 31 of the pretax year 65 or more years of age or on that date was permanently and totally disabled, and that he was, on October 1 of the pretax year, (a) a citizen and resident of this State for the period required, (b) the owner of a dwelling house which is a constituent part of the real property for which the deduction is claimed, or the owner of a dwelling house which is assessed as real property but which is situated on land owned by another or others, (c) residing in said dwelling house. Said application shall also establish that his anticipated income, including the income of his or her spouse, for the tax year will not exceed the applicable annual income limitation set forth in section 2 of P. L. 1963, c. 172 (C. 54:4–8.41). In the case of a claim for a deduction by a person who is permanently and totally disabled, said application shall include a physician's certificate verifying the claimant's permanent and total disability. The Director of the Division of Taxation may promulgate rules and regulations prescribing the form and content of the certificate.

In the case of claims for a deduction authorized by section 4 of this amendatory and supplementary act every application by a claimant therefor shall establish that he is or will be on or before December 31 of the pretax year 55 or more years of age and was 55 or more years of age at the time of the death of the decedent and unmarried and that he was, on October 1 of the pretax year, (a) a citizen and resident of this State for the period required, (b) the owner of a dwelling house which is a constituent part of the real property for which the deduction is claimed, or the owner of a dwelling house which is assessed as real property but which is situated on land owned by another or others, (c) residing in said dwelling house. Said application shall also establish that his anticipated income for the tax year will not exceed the applicable income limitation. The collector or the assessor of the taxing district as the case may be shall establish whether the deceased spouse of the claimant received a deduction.

3. This act shall take effect immediately and shall be applicable with respect to taxes assessed for the tax year 1981 and thereafter.

Approved March 26, 1981.

CHAPTER 87

AN ACT prohibiting dual candidacy in certain regular municipal elections, and supplementing the "Optional Municipal Charter Law," approved June 8, 1950 (P. L. 1950, c. 210; C. 40:69A–1 et seq.).

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

C. 40:69A-153.1 Dual candidacy for municipal election; prohibition.

1. No person shall accept nomination for more than one municipal office to be voted for at a regular municipal election to be held pursuant to Article 17 of P. L. 1950, c. 210 (C. 40:69A–150 et seq.).

2. This act shall take effect immediately.

Approved March 26, 1981.

CHAPTER 88

AN ACT appropriating $7,000,000.00 from the Energy Conservation Fund for the purposes of performing energy audits and renovations of public buildings, institutions and educational facilities.

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

1. There is appropriated to the Department of Energy from the "Energy Conservation Fund" created pursuant to the "Energy Conservation Bond Act of 1980," P. L. 1980, c. 68, the sum of $1,000,000.00 for the purpose of conducting energy audits of public buildings, institutions and educational facilities.

2. There is appropriated to the Department of Energy from the "Energy Conservation Fund" created pursuant to the "Energy Conservation Bond Act of 1980," P. L. 1980, c. 68, the sum of $6,000,000.00 for the purpose of renovating public buildings, institutions and educational facilities for the purpose of accomplishing a net reduction in energy consumption.

3. The appropriations made pursuant to this act shall be subject to the provisions of P. L. 1980, c. 68.

4. This act shall take effect immediately.

Approved March 27, 1981.

CHAPTER 89

AN ACT appropriating $5,365,000.00 from the Beaches and Harbors Fund for State projects and State matching grants to local governments to research, plan, acquire, develop, construct and maintain beach restoration, maintenance and protection facilities, projects and programs, amending the title of "An act appropriating $4,000,000.00 from the Beaches and Harbor Fund for State matching grants to municipalities to research, plan, acquire, develop, construct and maintain beach restoration, maintenance and protection facilities, projects and programs; directing the Department of Environmental Protection to prepare a comprehensive beach protection plan and to research a funding formula for such facilities and to report to the Legislature on such funding formula; and providing for possible reimbursement to certain municipalities based on such formula," approved November 24, 1978 (P. L. 1978, c. 157) so that the same shall read: "An act appropriating $4,000,000.00 from the Beaches and Harbor Fund for State matching grants to local governments to research, plan, acquire, develop, construct and maintain beach restoration, maintenance and protection facilities, projects and programs; directing the Department of Environmental Protection to prepare a comprehensive beach protection plan and to research a funding formula for such facilities and to report to the Legislature on such funding formula; and providing for possible reimbursement to certain local governments based on such formula," and to amend the body of said act.

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

1. There is appropriated to the Department of Environmental Protection from the "Beaches and Harbors Fund" created pursuant to the "Beaches and Harbors Bond Act of 1977," P. L. 1977, c. 208, the sum of $5,365,000.00 for the purpose of State projects and State matching grants to local governments for researching, planning, acquiring, developing, constructing and maintaining beach restoration, maintenance and protection facilities, projects and programs, and for administrative costs.

2. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P. L. 1977, c. 208 and P. L. 1978, c. 157.

3. The title of P. L. 1978, c. 157 is amended to read as follows:

An act appropriating $4,000,000.00 from the Beaches and Harbor Fund for State matching grants to local governments to research, plan, acquire, develop, construct and maintain beach restoration, maintenance and protection facilities, projects and programs; directing the Department of Environmental Protection to prepare a comprehensive beach protection plan and to research a funding formula for such facilities and to report to the Legislature on such funding formula; and providing for possible reimbursement to certain local governments based on such formula.

4. Section 2 of P. L. 1978, c. 157 is amended to read as follows:

2. Of the $30,000,000.00 authorized by the "Beaches and Harbors Bond Act of 1977," the sum of $20,000,00.00 is hereby allocated for State matching grants to local governments for the researching, planning, acquiring, developing, constructing and maintaining of beach restoration, maintenance and protection facilities, projects and programs, which grants shall be made in accordance with the provisions of this act.

5. Section 3 of P. L. 1978, c. 157 is amended to read as follows:

3. There is hereby appropriated to the State Department of Environmental Protection from the Beaches and Harbor Fund created pursuant to the "Beaches and Harbors Bond Act of 1977" (P. L. 1977, c. 208) the sum of $4,000,000.00 for the purpose of State matching grants to local governments for researching, planning, acquiring, developing, constructing and maintaining beach restoration, maintenance and protection facilities, projects and programs including administrative costs. State grants to local governments shall provide a minimum of 50% of the costs with a maximum of 50% to be provided by grantee local governments.

6. Section 5 of P. L. 1978, c. 157 is amended to read as follows:

5. Within 90 days of the effective date of this act the Department of Environmental Protection is directed to prepare a comprehensive beach protection plan for a 5-year capital program for beach protection facilities, projects and programs. Such plan shall serve as the basis for State matching grants to local governments for the $20,000,000.00 allocated pursuant to section 2 of this act; provided, however, that the department is hereby authorized, prior to the preparation of such plan, to make such grants as the department deems immediately necessary in order to prevent or alleviate damage to the beach areas of this State.

7. Section 6 of P. L. 1978, c. 157 is amended to read as follows:

6. The Department of Environmental Protection is directed to research and develop a funding formula for State matching grants made under this act, taking into consideration the need of a local government for beach protection, the benefit to a local government from a proposed beach protection project, the ability of a local government to pay its matching share and the availability of beaches within the municipality or county for members of the general public. In no case shall a State grant exceed 75% or be less than 50% of the cost of a beach protection project.

8. Section 8 of P. L. 1978, c. 157 is amended to read as follows:

8. The Department of Environmental Protection shall apply the formula developed pursuant to this act, unless disapproved by the Legislature as provided in section 7 herein, to all State beach protection grants made after the expiration date for legislative disapproval of the formula. In the case of 50% matching grants under this act made prior to the expiration date for legislative disapproval of the formula, the Department of Environmental Protection shall review such grants and shall reimburse those local governments which, under the formula, are determined to have been eligible for more than 50% in State matching funds, had the formula been applied to them at the time the 50% grant was made.

9. This act shall take effect immediately.

Approved March 27, 1981.

CHAPTER 90

A SUPPLEMENT to the "Extended Benefits Law," approved December 22, 1970, P. L. 1970, c. 324 (C. 43:21–24.11 et seq.).

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

C. 43:21-24.18 Cessation of extended benefits; ineligibility.

1. (New section) Cessation of extended benefits when paid under an interstate claim in a state where an extended benefit period is not in effect.

a. Except as provided in paragraph b. of this section, an individual shall not be eligible for extended benefits for any week if:

(1) Extended benefits are payable for such week pursuant to an interstate claim filed in any state under the interstate benefit payment plan, and

(2) No extended benefit period is in effect for such week in such state.

b. Paragraph a. shall not apply with respect to the first 2 weeks for which extended benefits are payable (determined without regard to this section) pursuant to an interstate claim filed under the interstate benefit payment plan to the individual from the extended benefit account established for the individual with respect to the benefit year.

C. 43:21-24.19 Ineligibility; determination.

2. (New section) a. Notwithstanding the provisions of section 6 of P. L. 1970, c. 324 (C. 43:21–24.12) an individual shall be ineligible for payment of extended benefits for any week of unemployment in his eligibility period if it is determined during such period:

(1) The individual failed to accept any offer of suitable work as defined in paragraph c. or failed to apply for any suitable work to which the individual was referred to by the employment service or the director; or

(2) The individual failed to actively engage in seeking work as prescribed under paragraph e.

b. Any individual who has been found ineligible for extended benefits by reason of the provisions in paragraph a. of this section shall also be denied benefits beginning with the first day of the week following the week in which such failure occurred and until

such individual has been employed in each of 4 subsequent weeks (whether or not consecutive) and has earned remuneration equal to not less than 4 times the individual's weekly extended benefit rate.

c. For purposes of this section the term suitable work means, with respect to any individual, any work which is within such individual's capabilities

(1) If the gross average weekly remuneration payable for the work exceeds the sum of: the individual's weekly extended benefit rate as determined under section 8 of P. L. 1970, c. 324 (C. 43:21–24.14), plus the amount, if any, of supplemental unemployment benefits (as defined in Section 501(c)(17) of the Internal Revenue Code of 1954) payable to such individual for such week;

(2) If the position pays wages not less than the higher of

(a) The minimum wage provided by Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U. S. C. § 206), without regard to any exemption; or

(b) The applicable state or local minimum wage;

(3) Provided, however, that no individual shall be denied extended benefits for failure to accept an offer of or apply for any job which meets the definition of suitable work as described above if:

(a) The position was not offered to such individual in writing and was not listed with the employment service;

(b) Such failure could not result in a denial of benefits under the definition of suitable work for regular benefits as provided under subsection (c) of R. S. 43:21–5 to the extent that the criteria of suitability in that section are not inconsistent with the provisions of this paragraph c.;

(c) The individual furnishes satisfactory evidence to the division that his prospects for obtaining work in his customary occupation within a reasonably short period are good. If such evidence is deemed satisfactory for this purpose, the determination of whether any work is suitable with respect to such individual shall be made in accordance with the definition of suitable work for regular benefit claimants as provided under subsection (c) of R. S. 43:21–5 without regard to the definition specified by this paragraph c.

d. Notwithstanding the provisions of section 6 of P. L. 1970, c. 324 (C. 43:21–24.12) to the contrary, no work shall be deemed to be suitable work for an individual which does not accord with the labor standard provisions required by Section 3304(a)(5) of the Internal Revenue Code of 1954 and subsection (c) of R. S. 43:21–5.

e. For the purposes of subparagraph (2) of paragraph a. of this section, an individual shall be treated as actively engaged in seeking work during any week if

(1) The individual has engaged in a systematic and sustained effort to obtain work during such week, and

(2) The individual furnishes tangible evidence that he has engaged in such effort during such week.

f. The employment service shall refer any claimant entitled to extended benefits under this act to any suitable work which meets the criteria prescribed in paragraph c.

g. An individual who has been disqualified for regular benefits under the provisions of subsection (b) or (c) of R. S. 43:21–5 will not meet the eligibility requirements for the payment of extended benefits unless such individual has had employment subsequent to the effective date of disqualification for regular benefits and has earned in employment remuneration equal to not less than four times the individual's weekly benefit rate.

h. (1) An individual claiming extended benefits who is an exhaustee, as defined under paragraph j. of section 5 of P. L. 1970, c. 324 (C. 43:21–24.11), and who is subsequently discharged or suspended for misconduct connected with his work as provided in subsection (b) of R. S. 43:21–5, shall be disqualified for extended benefits for the week in which such separation occurs and for each week thereafter until he has earned in employment remuneration equal to at least four times his weekly extended benefit rate, notwithstanding the disqualifying period for regular benefits for such misconduct imposed under the provisions of subsection (b) of R. S. 43:21–5.

(2) An individual claiming extended benefits who is an exhaustee, as defined under paragraph j. of section 5 of P. L. 1970, c. 324 (C. 43:21–24.11), but has satisfied the requirements of subparagraph c. (3) (c) of this section concerning prospects for employment, and who subsequently fails without good cause either to apply for available, suitable work when so directed by the employment office or the director or to accept suitable work as defined in subsection (c) of R. S. 43:21–5 when offered to him, or to return to his customary self-employment when directed by the director, shall be disqualified for extended benefits. The disqualification shall be only for the week in which such refusal occurs and for each week thereafter, until he has earned in employment remuneration equal to at least four times his weekly extended benefit rate, notwithstanding the disqualifying period for regular benefits for such refusal norm-

ally imposed under the provisions of subsection (c) of R. S. 43:21–5 or the disqualification imposed in paragraph b. of this section for individuals who have not satisfied the requirements of subparagraph c. (3) (c) of this section.

3. This act shall take effect immediately and shall apply to weeks of unemployment beginning after March 31, 1981.

Approved March 30, 1981.

CHAPTER 91

AN ACT concerning compensation of professional board members and amending and supplementing P. L. 1977, c. 285.

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

1. Section 2 of P. L. 1977, c. 285 (C. 45:1–2.5) is amended to read as follows:

C. 45:1-2.5 Compensation of members and officers of professional boards.

2. With respect to the boards or commissions designated in section 1 of P. L. 1971, c. 60 (C. 45:1–2.1) and notwithstanding the provisions of any other law:

a. The officers and members shall be compensated on a per diem basis in the amount of $25.00 or an amount to be determined by the Attorney General, with the approval of the State Treasurer, but not to exceed $100.00 per diem or $2,500.00 annually, and shall be reimbursed for actual expenses reasonably incurred in the performance of their official duties. Such moneys shall be paid according to rules and regulations promulgated by the Attorney General.

b. The executive secretary shall receive such salary as shall be determined by the appointing authority within the limits of available appropriations and shall serve at its pleasure. Any such executive secretary who holds a certificate, license or registration issued by the board or commission by which he is employed shall not during such employment be permitted to engage in any profession or occupation regulated by the board or commission.

c. The head of the department to which such board or commission is assigned shall maintain within any public building, whether owned or leased by the State, suitable quarters for the board's or

commission's office and meeting place, provided that no such office or meeting place shall be within premises owned or occupied by an officer or member of such board or commission.

2. (New section) The Attorney General may provide for compensation according to the provisions of this amendatory and supplementary act for services rendered by officers and members after May 31, 1980.

3. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 92

AN ACT concerning the civil service status of certain employees of certain counties of the first class.

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

C. 11:21-5.4 Appointment to permanent civil service positions of certain county employees.

1. Notwithstanding any provision of law relating to the qualifications required for appointment to any permanent position in accordance with the provisions of Title 11 (Civil Service) of the Revised Statutes, an eligible employee holding a temporary position with a county of the first class having a population in excess of 900,000, according to the 1970 Federal census, a. whose salary is presently paid by the county from funds provided pursuant to the "Federal Housing and Community Development Act of 1974", P. L. 93–383, b. who has held a position of employment with the county continuously for at least 18 months immediately preceding the effective date of this act, c. who possesses at least the minimum job qualification requirements as they appear in the civil service approved job specifications, and d. who shall have received an over-all job performance rating of at least "satisfactory" through an internal evaluation by his respective supervisors in accordance with the county's civil service approved employee performance evaluation program, may be appointed by the county to the permanent civil service title corresponding to his present employment after adoption of an ordinance or resolution, as may be appropriate,

providing for the position and shall be certified by the Civil Service Commission without examination.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 93

AN ACT concerning the appointment of a chief of police by the Palisades Interstate Park Commission and supplementing Title 32 of the Revised Statutes.

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

C. 32:14-4.1 Chief of police; appointment; compensation.

1. Any other law, rule, or regulation to the contrary notwithstanding, the commission may, by resolution, appoint a chief of police, who shall have served as a superior police officer and shall possess at least 5 years' administrative and supervisory police experience. The chief of police shall be in the unclassified service of the Civil Service and shall receive such salary as shall be authorized by the commission.

C. 32:14-4.2 Removal.

2. The commission may remove any person appointed pursuant to the provisions of this act after notice and an opportunity to be heard.

3. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 94

AN ACT to amend "An act to create a commission to study sex discrimination in the statutes, prescribing its membership, powers and duties and making an appropriation therefor," approved July 6, 1978 (P. L. 1978, c. 68).

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

1. Section 11 of P. L. 1978, c. 68 is amended to read as follows:

11. This act shall take effect immediately and shall expire on January 10, 1984.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 95

AN ACT concerning automobile insurance, and amending Section 6 of P. L. 1972, c. 70.

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

1. Section 6 of P. L. 1972, c. 70 (C. 39:6A–6) is amended to read as follows:

C. 39:6A-6 Collateral source.

6. Collateral source. The benefits provided in section 4 a., b., c., d., and e. and section 10, shall be payable as loss accrues, upon written notice of such loss and without regard to collateral sources, except that benefits collectible under workmen's compensation insurance, employees' temporary disability benefit statutes, medicare provided under Federal law, and benefits, in fact collected, that are provided under Federal law to active and retired military personnel shall be deducted from the benefits collectible under section 4 a., b., c., d., and e. and section 10.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 96

AN ACT regulating certain persons in the business of buying certain precious metals and supplementing Title 51 of the Revised Statutes and repealing sections 1 and 2 of P. L. 1980, c. 53 (C. 51:5–8 and C. 51:6–11).

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

C. 51:6A-1 Buying of precious metals.

1. Any person in the business of buying precious metals who buys, attempts to buy or offers to buy precious metals on the basis of bulk value from any person who is not in the business of selling precious metals shall:

a. Clearly and prominently display at the point of purchase:

(1) His name and address;

(2) The price being offered or paid by the buyer for precious metals expressed as price per standard measure of weight and fineness as prescribed by the Superintendent of Weights and Measures.

b. Include his name and address in all advertisements concerning such precious metals.

c. Weigh the precious metals in plain view of the seller on State certified scales with the certificate of inspection clearly and prominently displayed.

d. Test the fineness of precious metals, if any test is so performed, in plain view of the seller.

e. Issue to the seller and keep for his own records, for not less than 1 year, a serialized receipt for each purchase of precious metals containing the following:

(1) The name and address of the buyer;

(2) Date of the transaction;

(3) The names of the precious metals purchased;

(4) The finenesses of the precious metals purchased;

(5) The weights of the precious metals purchased;

(6) The prices paid for the precious metals at the standard measures of weight and fineness prescribed by the superintendent;

(7) The name, address and signature of the seller of the precious metals.

f. Obtain proof of identity from each person who sells precious metals to him.

g. Retain any precious metals in the form in which they were purchased for a period of not less than 2 business days, minimum 48 hours.

h. Upon reasonable request, allow the inspection of the serialized receipts or precious metals provided for in subsections e. and g. respectively of this section by any law enforcement officer or weights and measures official.

i. Obtain a bond in an amount and form prescribed by regulations of the Office of Weights and Measures. The bond shall be obtained from a surety company authorized by law to do business in this State. The bond shall run to the State for the benefit of any person injured by the wrongful act, default, fraud or misrepresentation of the buyer of precious metals. No bond shall comply with the requirements of this subsection unless the bond contains a provision that it shall not be cancelled for any cause unless notice of intention to cancel is filed in the Office of Weights and Measures at least 30 days before the day upon which cancellation shall take effect. This subsection shall only apply to transient buyers.

C. 51:6A-2 Registration with police of buyers or transient buyers of precious metals; violation of act.

2. A buyer of precious metals as provided for in this act shall, before buying, attempting to buy or offering to buy any precious metals, register with the police of the municipality in which he intends to conduct his business and give his name and address. A transient buyer of precious metals shall, in addition to the information required of a buyer of precious metals, provide the address at which he intends to do business in the municipality and shall reregister if he changes his location of doing business in the municipality or if he discontinues doing business for more than 20 days in the municipality and subsequently wants to resume doing business therein. Any person who violates any provision of this section is a disorderly person.

C. 51:6A-3 Penalties.

3. Any person who violates any provision of this act shall be liable to a mandatory penalty of not less than $100.00 nor more than $500.00 recoverable by the Superintendent of Weights and Measures pursuant to "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.). An action for the recovery of a civil penalty for violation of this act shall be within the jurisdiction of and may be brought before any superior court, county district court or muni-

cipal court in the county or municipality where the offense is committed or where the defendant resides or where the defendant may be apprehended.

A summons or warrant against any foreign business entity doing business in this State shall be processed as provided by law.

C. 51:6A-4 Arrest of offenders.

4 On the violation of any of the provisions of this act within his view, a weights and measures officer may without warrant arrest the offender and conduct him before a court having jurisdiction.

C. 51:6A-5 Definitions.

5. For purposes of this act:

a. "Precious metals" means gold, silver, platinum, palladium and alloys thereof.

b. "His name and address" means the name of the buyer and the legal name of the business under which the buyer is doing business, together with the permanent business address.

c. "Transient buyer" means a buyer of precious metals as provided for in this act who has not been in any retail business continuously for at least 6 months at the address in the municipality where he is required to register or who intends to close out or discontinue all retail business in the municipality within 6 months.

C. 51:6A-6 Applicability of act.

6. This act is not applicable to government agencies, State or Federally chartered banks or Federally regulated commodity markets.

C. 51:6A-7 Municipal regulation permitted.

7. This act is not intended, and nothing in this act shall be construed to preclude the right of any municipality to adopt and enforce ordinances or regulations more restrictive than this act or any rules or regulations promulgated thereunder.

C. 51:6A-8 Partial invalidity.

8. If the provisions of any section, subsection, paragraph, subdivision or clause of this act shall be adjudged invalid by a court of competent jurisdiction, the order or judgment shall not affect or invalidate the remainder of any section, subsection, paragraph, subdivision or clause of this act and, to this end, the provisions of each section, subsection, paragraph, subdivision or clause of this act are declared to be severable.

Repealer.

9. Sections 1 and 2 of P. L. 1980, c. 53 (C. 51:5–8 and C. 51:6–11) are repealed.

10. This act shall take effect on the ninetieth day after enactment.

Approved March 31, 1981.

CHAPTER 97

AN ACT concerning the operation of motorized bicycles while under the influence of intoxicating liquor or certain drugs and supplementing P. L. 1975, c. 250 (C. 39:4–14.3).

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

C. 39:4-14.3g Operation of motorized bicycle while under influence of alcohol or drugs; violations; penalties.

1. It is unlawful for any person to operate a motorized bicycle while under the influence of intoxicating liquor, or a narcotic, hallucinogenic or habit-producing drug. Any person who violates the provisions of this act shall be subject to the same penalties as provided in R. S. 39:4–50 for conviction of operating a motor vehicle while under the influence of any such substance. In any prosecution for a violation of this act, the presumptions, consent and procedures set forth in P. L. 1951, c. 23, s. 30 (C. 39:4–50.1) and P. L. 1966, c. 142, ss. 2-5 (C. 39:4–50.2 to 39:4–50.5) shall be applicable.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 98

AN ACT concerning credit cards and repealing P. L. 1971, c. 246.

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

Repealer.

1. P. L. 1971, c. 246 (C. 17:10A–1 through C. 17:10A–5) is repealed.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 99

AN ACT concerning school election officers and supplementing Article 3 of chapter 14 of Title 18A of the New Jersey Statutes.

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

C. 18A:14-6.1 School election officers; duties and responsibilities.

1. Not less than 10 nor more than 21 days before each school election, each board of education shall cause the election officers who are to serve in the polling districts to be instructed in the use of the voting machine, and in their duties in connection therewith, and shall cause to be given to each election officer who has received such instruction and is fully qualified to properly conduct the election with the machine, a certificate to that effect; but election officers, who have served in a polling district in which voting machines have been used for two consecutive school elections and who have received a certificate or who have received a similar certificate from the county board of elections pursuant to R. S. 19:50–1, shall not be required to receive further instruction, except in the discretion of the board of education. For the purpose of giving instruction, each board of education shall call a meeting or meetings of the election officers as shall be necessary. The election officers of each polling district in which a voting machine is to be used, unless excused from attendance as herein provided, shall attend such meeting or meetings as shall be called for the purpose of receiving instruction concerning their duties as shall be necessary for the proper conduct of the election with the machine. No election officer shall serve in any election at which a voting machine is used unless he shall have received instruction and is fully qualified to perform the duties in connection with the machine, and has received a certificate to that effect from the board or a similar certificate from the county board of elections pursuant to R. S. 19:50–1; but this shall not prevent the appointment of a person to fill a vacancy in an emergency, as now provided by law.

2. This act shall take effect January 1 next following enactment.

Approved March 31, 1981.

CHAPTER 100

AN ACT to amend the "Secondary Mortgage Loan Act," approved September 23, 1970 (P. L. 1970, c. 205).

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

1. Section 2 of P. L. 1970, c. 205 (C. 17:11A–35) is amended to read as follows:

C. 17:11A-35 Definitions.

2. As used in this act, the following words and terms shall have the following meanings unless the context otherwise requires:

a. "Secondary mortgage loan" means a loan made to an individual, association, joint venture, partnership, limited partnership, limited partnership association, or any other group of individuals however organized, except a corporation, which is secured in whole or in part by a lien upon any interest in real property, including but not limited to shares of stock in a cooperative corporation, created by a security agreement, including a mortgage, indenture, or any other similar instrument or document, which real property is subject to one or more prior mortgage liens, except that a loan which: (1) is to be repaid in 90 days or less; (2) is taken as security for a home repair contract executed in accordance with the provisions of chapter 41, P. L. 1960; (3) is at an interest rate which is not in excess of the usury rate in existence at the time the loan is made, as established in accordance with the law of this State, and on which loan the borrower has not agreed to pay, directly or indirectly, any charge, cost, expense or any fee whatsoever other than said interest; or (4) is the result of the private sale of a dwelling if title to the dwelling is in the name of the seller and the seller has resided in said dwelling for at least 1 year if the buyer is purchasing said dwelling for his own residence and, as part of the purchase price, executes a secondary mortgage in favor of the seller, shall not be subject to the provisions of this act.

b. "Borrower" means any person applying for a secondary mortgage loan, whether or not the loan is granted, and any person who has actually obtained such a loan.

c. "Licensee" means a person who is required to be licensed by section 3 of this act.

d. "Person" means an individual, association, joint venture, partnership, limited partnership, limited partnership association, corporation or any other group of individuals however organized.

e. "Commissioner" means the Commissioner of Banking of New Jersey including his deputies, or any other salaried employee of the Department of Banking appointed or designated by the commissioner to perform the functions required for the administration or enforcement of this act.

2. Section 11 of P. L. 1970, c. 205 (C. 17:11A–44) is amended to read as follows:

C. 17:11A-44 Licensee's authority; amount and computation of interest; special advisory board; membership, terms, vacancies, compensation, meetings, secretary, access to records, liability.

11. a. A licensee shall have authority to make a secondary mortgage loan repayable in installments and may charge, contract for and receive thereon interest at an annual percentage rate not exceeding 15%, computed by the actuarial method (United States rule) and; provided further, the Commissioner of Banking, with the advice of a special advisory board constituted as hereinafter provided, may by regulation adopted, amended and rescinded from time to time, provide that the interest which may be taken for any such loan shall be more than 15% per annum but not more than 24% per annum as shall be prescribed in such regulation.

(1) No interest shall be paid, deducted, or received in advance. Interest shall not be compounded and shall be computed only on unpaid principal balances. For the purposes of computing interest, whether at the maximum rate or less, a month shall be considered a calendar month and where a fraction of a month is involved a day shall be considered 1/30 of a month.

b. In making, amending, and rescinding regulations pursuant to the preceding provision, the Commissioner of Banking and the special advisory board shall consider the general state of the economy, the discount rates prescribed by the Federal Reserve Bank of New York and the Federal Reserve Bank of Philadelphia, the advance rate as prescribed by the Federal Home Loan Bank of New York, the availability of funds for loans, studies and statistics published by the Federal Home Loan Bank Board and other agencies of the United States and of this State, and such other factors and bases for determination as the commissioner and the board may deem pertinent. The rate established by any such regulation shall reasonably reflect prevailing market conditions, regionally and

nationally, based upon the studies, statistics and factors considered, and shall remain in force until such time as such regulation is rescinded or such rate is increased or decreased by a subsequent regulation. Any such regulation shall have prospective effect only.

c. The special advisory board herein provided for shall consist of the Commissioner of Banking, who shall be ex officio chairman of the board, and 5 members appointed by the Governor with the advice and consent of the Senate. Any appointed member of the board may be removed from office by the Governor whenever, in his judgment, the public interest may so require. Each of the 5 appointed members shall have had, at the time of his appointment, practical experience in consumer financing or fields so related thereto as to qualify each as an authority for the purpose of advising the Commissioner of Banking regarding the interest which may be taken for any secondary mortgage loan. At no time shall there be more than a single representative on the board from any one institution or group of institutions.

d. Each member of the board shall hold office for a term of 2 years, and thereafter until his successor is appointed and has qualified, subject to removal by the Governor pursuant to the preceding provision. Members of the board shall be eligible for reappointment in the same manner as the initial appointment of members of the board as provided for heretofore. Any vacancies in the board shall be filled for the unexpired portion of the term in the same manner as for a full term.

e. The members of the special advisory board shall serve without compensation, but shall be reimbursed for their actual and necessary expenses in attending meetings of the board. All claims for reimbursement shall be submitted in the form and manner prescribed for like claims of the Commissioner of Banking.

f. The board shall meet at least semiannually, at such times and places in the State as it may determine. The commissioner may call such other meetings as he may deem necessary, and he shall call a meeting when requested by 2 or more members of the board. At least three days' notice of every meeting shall be given to each member of the board personally, or by mail, telephone, or telegraph. Four members of the board shall constitute a quorum.

g. The special advisory board shall elect a secretary who may be an employee of the Department of Banking but who shall receive no extra compensation for serving as secretary. The secretary shall keep an accurate record of all meetings of the board and shall perform such other duties as may be prescribed by the board.

h. For the purpose of discharging its duties, the board shall have access to all relevant records in the Department of Banking, including reports and confidential communications, but each member of the board shall treat all information so obtained as confidential and shall not reveal any such information to any person other than another member of the board.

i. No member of the board, including the Commissioner of Banking, shall be personally liable for any act done or omitted in connection with the performance of his duties under this act.

j. At the initial meeting of the special advisory board, the members shall agree, by majority vote, to the procedure by which recommendations will be made to the commissioner concerning the interest rate to be established pursuant to this act.

3. Section 12 of P. L. 1970, c. 205 (C. 17:11A–45) is amended to read as follows:

C. 17:11A-45 Licensee's responsibilities.

12. A secondary mortgage loan licensee shall:

a. Maintain at least one licensed place of business in this State.

b. Conspicuously display his license at each licensed place of business.

c. Keep on file with the commissioner a corporate surety bond in the principal sum of $5,000.00. Said bond shall be in the form required by the commissioner and shall be issued by a surety company authorized to transact business in this State. The bond shall run to the State and shall be conditioned that the licensee will comply with the provisions of this act. The aggregate liability of the surety on the bond shall in no event exceed the amount of said bond.

d. Maintain a net worth of $100,000.00 at all times; except that licensees licensed prior to the effective date of this amendatory and supplementary act shall maintain a net worth of $50,000.00 at all times.

e. Maintain at his place of business in this State an original or true copy of the following instruments, documents, accounts, books and records:

(1) Promissory note evidencing each borrower's secondary mortgage loan indebtedness.

(2) Mortgage, indenture or any other similar instrument or document which creates a lien on the real property which is taken as security for a secondary mortgage loan.

(3) Credit life and accident and health insurance policy or a certificate of insurance where such insurance is obtained in accordance with section 16 of this act.

(4) Closing statement for each secondary mortgage loan.

(5) Appraisal or search, where utilized.

(6) Individual ledger card or any other form of record which shows all installment payments made by the borrower and all other charges or credits to the borrower's account.

(7) Individual file in which the borrower's application for a loan and any correspondence, including collection letters, memorandums, notes or any other written information pertaining to the borrower's account, shall be kept.

(8) General ledger, cash receipts and disbursements register, checkbook, canceled checks and such other accounts, books or records as shall be required by the commissioner in order to ascertain whether the licensee has been conducting his secondary mortgage loan business in full compliance with the provisions of this act.

All of the aforementioned instruments, documents, accounts, books and records shall be kept separate and apart from the records of any other business conducted by the licensee and shall be preserved and kept available for investigation or examination by the commissioner for at least 2 years after a secondary mortgage loan has been paid in full. The provisions of this section shall not apply to any instrument, document, account, book or record which is assigned, sold or transferred to another secondary mortgage loan licensee nor shall the 2-year requirement apply to an instrument or document which must be returned to the borrower at the time a secondary mortgage loan is paid in full.

f. Annually, before February 1, file a report with the commissioner which shall set forth such information as the commissioner shall require concerning the business conducted as a licensee during the preceding calendar year. The report shall be in writing, under oath and on a form provided by the commissioner.

g. Be subject to an examination by the commissioner, at least once a year, at which time the commissioner shall have free access, during regular business hours, to the licensee's place or places of business in this State and to all instruments, documents, accounts, books and records which pertain to the licensee's secondary mortgage loan business. The cost of any such examination shall be borne by the licensee.

h. In the event a borrower's application for a secondary mortgage loan is denied, notify the borrower, in writing, of said denial and, provided further, the name of any such borrower or a list of any such borrowers shall not be referred by the licensee, in any manner whatsoever, to any other lender, retail seller of personal property or services or to any other person, whether in this or any other state.

i. If a secondary mortgage loan is not consummated, return all documents executed by or belonging to the borrower.

j. Give to the borrower, without charge, a copy of every instrument, document or other writing the borrower signs.

k. Give to the borrower, without charge, written evidence of credit life and accident and health insurance, if any, in accordance with regulations promulgated by the commissioner pursuant to chapter 169, P. L. 1958.

l. Give to the borrower, without charge, at the time a secondary mortgage loan is made, a closing statement which itemizes the individual amounts disbursed to or on behalf of the borrower, including, but not limited to, the premium for credit life and accident and health insurance, if any, the total amount of the funds so disbursed, the amount of the interest charge, total amount of the loan, the amount, number and due date of the installment payments and the interest charge expressed as an annual percentage rate.

m. When a payment is made in cash on account of a secondary mortgage loan, give to the borrower, without charge, at the time such payment is actually received, a written receipt which shall show the name and address of the licensee, the name and address of the borrower, account number or other identification mark or symbol, date and amount paid.

n. Upon written request from the borrower, give or forward to the borrower, without charge, within 5 days from the date of receipt of such request, a written statement of the borrower's account which shall show the dates and amounts of all installment payments credited to the borrower's account, the dates, amounts and an explanation of all other charges or credits to the account and the unpaid balance thereof. A licensee shall not be required to furnish more than 2 such statements in any 12-month period.

o. When a secondary mortgage loan is paid in full:

(1) Refund to the borrower, in accordance with regulations promulgated by the commissioner pursuant to chapter 169, P. L. 1958, any unearned portion of the premium for credit life and accident and health insurance, if a premium for such insurance was

disbursed on behalf of the borrower at the time the secondary mortgage loan was originally made.

(2) Stamp or write on the face of the promissory note evidencing the borrower's secondary mortgage loan indebtedness "Paid in Full" or "Cancelled," the date paid and the name and address of the licensee and, within 15 days, return the promissory note to the borrower.

(3) Release, at the expense of the licensee, any lien on real property and cancel the same of record and, at the time the promissory note evidencing the borrower's secondary mortgage loan indebtedness is returned, deliver to the borrower such good and sufficient assignments, releases or any other certificate, instrument or document as may be necessary to vest the borrower with complete evidence of title, insofar as the applicable secondary mortgage loan is concerned, to the real property.

4. Section 13 of P. L. 1970, c. 205 (C. 17:11A–46) is amended to read as follows:

C. 17:11A-46 Prohibited actions.

13. A secondary mortgage loan licensee shall not:

a. Transact any business subject to the provisions of this act under any other name or at any other location except that designated in his license. For the purpose of this section, the transaction of business includes, but is not limited to, the signing of any instrument, document or any other form by the borrower, except that a borrower's application for a secondary mortgage loan need not be signed in the office of the licensee. A licensee who changes his name or place of business shall immediately notify the commissioner who shall issue a certificate to the licensee, which shall specify the licensee's new name or address.

b. Photocopy or otherwise reproduce his license.

c. Request that a borrower incorporate in connection with a secondary mortgage loan or aid or abet such a scheme.

d. Make a secondary mortgage loan which has been referred by a retail seller, who, in connection with such referral, has required the borrower to purchase personal property or services or has indicated that such purchase is necessary as a condition precedent for such loan.

e. Charge an application fee or make any other charge or accept an advance deposit prior to the time a secondary mortgage loan is closed.

f. Require or accept from a borrower any collateral or security for a secondary mortgage loan other than a mortgage, indenture or any other similar instrument or document which creates a lien upon any real property or an interest in real property including, but not limited to, shares of stock in a cooperative corporation.

g. Contract for, charge, receive or collect directly or indirectly, any of the following in connection with a secondary mortgage loan: a charge for appraisal service; search; broker's or finder's fee; commission; discount; expense; examination fee; fine; interest; penalty; points; premium, or any other thing of value other than the charges authorized by this act, except the expenses incurred on actual sale of the real property in foreclosure proceedings or upon the entry of judgment, which are otherwise authorized by law; provided, however, a licensee may require a borrower to pay a reasonable legal fee at the time of the execution of the secondary mortgage loan, provided any such legal fee shall represent a charge actually incurred in connection with said secondary mortgage loan and shall not be paid to a person except an attorney authorized to practice law in this State; provided, further, that such legal fee shall be evidenced by a statement from such attorney issued to the licensee.

h. Assign, sell or transfer a secondary mortgage loan to a person other than a banking institution as defined in section 1 of P. L. 1948, c. 67 (C. 17:9A–1), association, as defined in section 5 of P. L. 1963, c. 144 (C. 17:12B–5), or another secondary mortgage loan licensee.

i. Solicit business through any other person by paying, directly or indirectly, for such business referred to the licensee by any such person.

j. Solicit business, directly or indirectly, for any other licensee, lender, retail seller of personal property or services or for any other person, whether in this or any other state.

k. Advertise, cause to be advertised or otherwise solicit whether orally, in writing, by telecast, by broadcast or in any other manner:

(1) That he is licensed by, or that his business is under the supervision of, the State of New Jersey or the Department of Banking, except that a licensee may advertise that he is "licensed pursuant to the Secondary Mortgage Loan Act"; provided, however, that for the purpose of raising capital, no such advertisement shall be permitted if it is to be used in connection with a public solicitation for such funds.

(2) Any name, address or telephone number other than the licensee's own name, address and telephone number in this State.

(3) The word "bank" or any term inferring that the licensee is or is associated with a bank.

(4) The amount of the interest to be charged, unless such charge is also expressed as an annual percentage rate.

(5) Any statement or representation which is false, misleading or deceptive and, provided further, a written or other visual advertisement shall include the licensee's name, address and telephone number in this State and the phrase "Secondary Mortgage Loans" in 10-point bold type or larger.

5. Section 14 of P. L. 1970, c. 205 (C. 17:11A–47) is amended to read as follows:

C. 17:11A-47 Borrower's right to counsel; notice.

14. Every borrower shall have the right to be represented by an attorney of his own choosing at the time a secondary mortgage loan is closed and shall be advised of such right in writing.

6. Section 16 of P. L. 1970, c. 205 (C. 17:11A–49) is amended to read as follows:

C. 17:11A-49 Purchase of loan insurance.

16. A borrower shall not be compelled to purchase credit life or accident and health insurance in connection with a secondary mortgage loan. If, however, the borrower elects to obtain such insurance, the borrower or borrowers shall, in a separate instrument, consent thereto, in writing, and, provided further:

a. The insurance shall be obtained in accordance with the provisions of N. J. S. 17B:29–4, and the regulations promulgated by the commissioner pursuant thereto.

b. The premium for any such insurance shall be deducted from the amount of the secondary mortgage loan requested by the borrower.

c. Nothing in this act or in any other law of this State shall prohibit a licensee or any employee, affiliate, subsidiary, or associate of said licensee, from collecting the premium or identifiable charge for insurance permitted by this act and from receiving or retaining any dividend, or any other gain or advantage resulting from such insurance; subject, however, to the authority of the commissioner to promulgate such rules and regulations with regard to such dividend, gain or advantage as he may deem necessary, including the authority to reduce the rate of interest to be charged

by a particular licensee to borrowers in consideration of the benefit to said licensee from such dividend, gain or advantage.

7. Section 18 of P. L. 1970, c. 205 (C. 17:11A–51) is amended to read as follows:

C. 17:11A-51 Contents of instruments evidencing loan.

18. An instrument evidencing a secondary mortgage loan shall:

a. Be in the form of a promissory note which shall be identifiable by the use of the words "Secondary Mortgage Loan" printed prominently, in 14-point bold type or larger, centered and at the top of the promissory note and, directly underneath, in 8-point bold type or larger, the statement, "This promissory note is subject to the provisions of the Secondary Mortgage Loan Act."

b. Provide for the payment, in full, of the total amount of the secondary mortgage loan in substantially equal payment periods, measured in terms of weeks or months, and installment payment amounts, except that the initial payment period may be deferred for 60 days and, provided further, when appropriate for the purpose of facilitating payment in accordance with the borrower's intermittent income, a promissory note may provide an installment schedule which reduces or omits payments over any period or periods of time during which period or periods the borrower's income is reduced or suspended, and the final installment may be $1.00 more or less than the amount of all other regular installment payments.

c. Contain the following notice printed prominently, in red, in the identical form indicated below, in 10-point bold type or larger, directly above the space provided for the signature of the borrower.

"NOTICE TO BORROWER

Read this promissory note before you sign.

Do not sign this promissory note if it contains blank spaces.

This promissory note is secured by a secondary mortgage on your real property."

d. Be completed in full before it is signed by the borrower. In the event that it is unnecessary to fill in a blank space provided for in any instrument, the figure -0-, a dash, line or the word "none" shall be inserted in such blank space.

8. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 101

AN ACT to amend the "Savings and Loan Act (1963)," approved August 30, 1963 (P. L. 1963, c. 144) and repealing section 150 of P. L. 1963, c. 144.

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

1. Section 48 of P. L. 1963, c. 144 (C. 17:12B–48) is amended to read as follows:

C. 17:12B-48 Specific powers.

48. Specific powers. Without limiting the generality of the foregoing, every association shall have power to:

(1) Have succession by its corporate name for the period limited in its charter or certificate of incorporation, and when no period is limited, perpetually.

(2) Sue and be sued in any court.

(3) Adopt and use a corporate seal and alter the same.

(4) Purchase and otherwise acquire, hold, mortgage, pledge, lease, exchange, sell, convey and otherwise dispose of, any real and personal property, necessary or incidental to its operations and consistent with its powers and purposes.

(5) Insure its members' accounts with Federal Savings and Loan Insurance Corporation, and comply with conditions necessary to obtain and maintain such insurance.

(6) Become a member of or stockholder in a Federal Home Loan Bank and to that end to comply with all conditions of membership therein.

(7) Act as agent for the United States or the State of New Jersey or any instrumentality of either of them, when designated for that purpose, and perform such reasonable duties as such agent as may be required of it.

(8) Join any cooperative league organized for the purpose of protecting and promoting the welfare of associations and their members and comply with all conditions of membership therein.

(9) Borrow money from any source in or out of the State, on the note, bond and mortgage or other obligation of the association upon such terms and conditions as the board may from time to time

prescribe by resolution adopted by at least a majority of all the members of the board and duly recorded on the minutes and to pledge, assign or transfer mortgages, owned by the association and the obligations secured by such mortgages, together with the shares, if any, pledged as collateral security therefor, or any real or other personal property, as security for the repayment of money so borrowed. No association shall borrow money if by doing so the aggregate of its indebtedness for borrowed money other than to the Federal Home Loan Bank will exceed 20% of its capital, except with the approval of the commissioner.

(10) (Deleted by amendment.)

(11) Require an advance payment of interest for a period of 1 month on any loan; and accept advance payments of interest, if made at the option of the debtor, for any period on any loan. None of such payments shall be deemed usurious.

(12) Where shares are issued, charge an admission fee, not to exceed $0.25 per share, which shall include the cost of membership or share certificate and account book.

(13) Impose charges upon a member for failure to make any payment to the association when due, but only as provided in this paragraph. Where the association issues installment share accounts it may impose such charge upon any member holding such an account or any borrower upon a sinking fund mortgage not in excess of 1% a month upon the amount in arrears, except for the first month's arrearage or the amount by which such first month's arrearage may be increased by subsequent arrearage in which case a charge not in excess of 5% may be imposed. Such charges shall be subject to the further limitations that no such charge shall be deducted from any amount actually paid by a member upon an account nor shall the total of any such charges against any account in any fiscal year exceed the amount that may be charged for failure to make any payments for a 6-month period nor shall any charge for default be made on a charge for default. Otherwise an association may impose a charge for failure to make any required payment to it when due upon any loan or contract for the resale of real estate to a member not to exceed 4% of the amount of each payment in arrears but no more than one such charge may be made with respect to any one payment in arrears. An association may impose a reasonable service charge against any member who tenders to such association, for collection or as payment, a check or other instrument of any type which subsequently is not honored

by the institution or person upon which such check or other instrument is drawn. None of such charges shall be deemed usurious.

(14) Compute interest upon any direct reduction loan, on designated payment dates, and add the same to the unpaid balance of such loan.

(15) Act as agent for any person where such agency will further the interests of the association and its members, subject to such limitations as may be prescribed by the commissioner.

(16) Upon application to and approval by the commissioner, to act as custodian or trustee within the contemplation of the Federal Self-Employed Individuals Tax Retirement Act of 1962, as amended and supplemented, and the Employee Retirement Income Security Act of 1974 as amended and supplemented, and as custodian, trustee or manager of any such investment fund the authorized investments of which include, but need not be limited to, savings accounts or real estate loans, and the beneficial interests in which may be represented by transferable shares or certificates. Associations exercising the powers authorized by the subsection shall segregate all funds held in such fiduciary capacities from the general assets of the association and shall keep a separate set of books and records showing in detail all transactions made under authority of this subsection. If individual records are kept for each self-employed individual's retirement plan and each such investment fund, then all such funds held in such fiduciary capacities by an association may be commingled for appropriate purposes of investment. No funds held in such fiduciary capacities shall be used by an association in the conduct of its business; however, such funds may be invested in savings accounts of the association in the event that the custodial, trust or other plan does not prohibit such investment. In granting or refusing the association's application the commissioner shall take into consideration the investment policies, amount, type and adequacy of reserves, fidelity bonds and any legally required deposits of the applicant and other pertinent facts and circumstances.

(17) Upon compliance with subsection (5) of this section, accept from its members accounts to be repaid upon such terms, not inconsistent with this act, as are approved by the Commissioner of Banking, by regulation or otherwise, provided that no account shall exceed the limitations established by section 78 of P. L. 1963, c. 144 (C. 17:12B–78), and provided further that no account shall be accepted or issued in the name of any corporation, association or partnership or in the name of any individual for use in trade or

business. An association issuing such accounts may honor demands for withdrawal of such accounts in the form of negotiable checks, drafts or orders in the form of electronic fund transfers and may become a member of a clearing facility and satisfy reasonable conditions required for its qualification and pay reasonable expenses therefor. Such accounts may be either interest-bearing or non-interest-bearing; provided, however, that the payment of interest on such accounts be permitted by Federal law. An association accepting accounts pursuant to this subsection shall, at all times, maintain reserves against such accounts as shall be prescribed in regulations issued by the commissioner in accordance with the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.) but such reserves shall be equal in nature and amount to those required of savings banks in this State against similar accounts. Such reserves shall be maintained in cash or deposits in one or more reserve depositories as authorized by the Commissioner of Banking. Regulations of the commissioner may also provide that associations issuing such type of accounts maintain a general reserve account, Federal insurance reserve account and undivided profits of specified minimum amounts and provide for minimum standards of office facilities in connection therewith. An insured association may impose a reasonable service charge for providing and maintaining such accounts for the benefits of its members.

(18) Issue credit cards, extend credit in connection therewith, and otherwise engage in or participate in credit card operations subject to such regulations as the commissioner may prescribe. Any such regulations shall be in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

(19) (a) Apply to the commissioner for permission to act as trustee, executor, administrator, guardian, or in any other fiduciary capacity in which Federal savings and loan associations doing business in this State, are permitted to act. Associations exercising any or all of the powers enumerated in this section shall segregate all assets held in any fiduciary capacity from the general assets of the association and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this section. No association shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the association awaiting investment shall be carried in a separate account and shall not be used by the association in the conduct of

its business unless it shall first set aside in the trust department United States bonds or other securities approved by the commissioner. In the event of the failure of such association, the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the association. Whenever the laws of this State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, associations so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by New Jersey law. Associations in such cases shall not be required to execute the bond usually required of individuals if New Jersey corporations under similar circumstances are exempt from this requirement. Associations shall have power to execute such bond when so required by the laws of New Jersey. In any case in which the laws of this State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, any officer, as defined in section 65 of P. L. 1963, c. 144 (C. 17:12B–65) of such association may take the necessary oath or execute the necessary affidavit. It shall be unlawful for any association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than $5,000.00, or imprisoned not more than 5 years, or may be both fined and imprisoned, in the discretion of the court. In the passing upon applications for permission to exercise the powers enumerated in this section, the commissioner may take into consideration the amount of capital and surplus of the applying association, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to him proper, and may grant or refuse the application accordingly, except that approval shall not be granted to any association having a capital and surplus less than the capital and surplus required by New Jersey law of State banks, trust companies, and corporations exercising such powers.

(b) Any association desiring to surrender its right to exercise the powers granted under this section, in order to relieve itself of the necessity of complying with the requirements of this section, or to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court

trusts, or for any other purpose, may file with the commissioner a certified copy of a resolution of its board of directors signifying such desire. Upon receipt of such resolution, the commissioner, after satisfying himself that such association has been relieved in accordance with State law of all duties as trustee, executor, administrator, guardian or other fiduciary, under court, private or other appointments previously accepted under authority of this section, may in its discretion, issue to such association a certificate certifying that such association is no longer authorized to exercise the powers granted by this section. Upon the issuance of such a certificate by the commissioner, such association (i) shall no longer be subject to the provisions of this section or the regulations of the commissioner made pursuant thereto, (ii) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (iii) shall not exercise thereafter any of the powers granted by this section without first applying for and obtaining approval to exercise such powers pursuant to the provisions of this section.

(c) The commissioner is authorized and empowered to promulgate such regulations as he may deem necessary to enforce compliance with the provisions of this section and the proper exercise of the trust powers granted by this section. Any such regulations shall be in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

(20) In accordance with rules and regulations promulgated by the commissioner, issue and sell directly to subscribers or through underwriters mutual capital certificates. Such certificates shall constitute part of the general reserve and net worth of the issuing association. Such certificates—

(a) Shall be subordinate to all savings accounts, savings certificates, and debt obligations;

(b) Shall constitute a claim in liquidation on the general reserves, surplus, and undivided profits of the association remaining after the payment in full of all savings accounts, savings certificates, and debt obligations;

(c) Shall be entitled to the payment of dividends; and

(d) May have a fixed or variable dividend rate.

The commissioner is authorized and empowered to promulgate such regulations as he may deem necessary with respect to the powers granted by this section. Any such regulations shall be in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board. The commissioner shall provide

in his regulations for charging losses to the mutual capital certificates, reserves, and other net worth accounts.

(21) If authorized by regulation of the commissioner, exercise any power, right, benefit, or privilege permitted to Federal associations, provided that such power, right, benefit or privilege is not contrary to law. Such regulation shall be in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

2. Section 69 of P. L. 1963, c. 144 (C. 17:12B–69) is amended to read as follows:

C. 17:12B-69 Loans to officers, directors, attorneys or employees.

69. Loans to officers, directors, attorneys or employees. In accordance with rules and regulations promulgated by the Federal Savings and Loan Insurance Corporation, a State association may make or purchase any loan which it is otherwise authorized by law to make or purchase to or from any officer, director, attorney, employee, or any affiliated person of such State association.

3. Section 78 of P. L. 1963, c. 144 (C. 17:12B–78) is amended to read as follows:

C. 17:12B-78 Limitation upon accounts.

78. Limitation upon accounts. No savings member shall hold an account or accounts in any one State association with an aggregate participation value exceeding $20,000.00 or 1% of the capital of the State association, whichever is greater; provided, however, that such limitation shall not apply to—

(a) An account or deposit held as provided in section 80 or section 241 of this act; or

(b) An account or deposit which is pledged as security for the repayment of money due such State association; or

(c) An installment share account, or any account opened as the result of the maturity of an installment share account; or

(d) An account, or deposit other than an installment share account, which exceeds the aforesaid limitation at the time of the enactment of this statute, but no additions other than dividends or interest shall be made thereto; or

(e) Where such excess results from the addition of dividends or interest to any such account, or from the acquisition of an account by gift, will or inheritance; or from the acquisition of an account or deposit previously held as collateral security for the payment of

an obligation; or from the acquisition by one State association of the assets of another association; or

(f) Where such excess results from a reduction in the capital of the association.

The board may provide for any lesser limitation than set forth in this section, and any person or persons authorized by it, may refuse to accept any account and may limit the amount of payments which may be received on any account.

4. Section 146 of P. L. 1963, c. 144 (C. 17:12B–146) is amended to read as follows:

C. 17:12B-146 Investments in mortgage loans.

146. Investments in mortgage loans. Investments in mortgage loans may be made subject to the conditions and limitations of this act.

Each mortgage loan, made under the provisions of sections 147 through 149 of this act, shall be a direct reduction, sinking fund, or straight mortgage loan. Each such loan shall be evidenced by an obligation and secured by a mortgage on real estate. Such loans shall be secured by real estate used or to be used wholly or partially for dwelling purposes; or for business or commercial purposes. If used or to be used solely for business or commercial purposes, the loan shall be secured by a mortgage which shall be a first lien on real estate as defined in section 11 of this act, and shall be subject to the limitation established by subsection M. of section 155 of P. L. 1963, c. 144 (C. 17:12B–155). The granting of such loans shall be without discrimination of any nature including, but not limited to, interest rates, terms and duration, because of race, creed, color, national origin or ancestry.

5. Section 147 of P. L. 1963, c. 144 (C. 17:12B–147) is amended to read as follows:

C. 17:12B-147 Direct reduction loans.

147. Each direct reduction loan, as defined in section 5 of this act, made in accordance with the provisions of this section, shall require periodical payments sufficient to pay the principal and interest of the loan in full in a period of 40 years or less. Any association may by agreement with the borrowing member reduce the amount of periodical payments, provided that the amount of the periodical payments thereafter required shall be sufficient to pay the balance of the loan and interest thereon within a period of 40 years or less from the time of making such agreement. The

amount of such direct reduction loan, less the withdrawal value of any account which may be pledged as collateral security therefor, shall not exceed 90% of the value of such real estate as found by appraisal at the time such loan is granted; provided, however, where mortgage guaranty insurance is issued incident to such loan pursuant to the provisions of the Mortgage Guaranty Insurance Act, P. L. 1968, c. 248 (C. 17:46A–1 et seq.), the percentage of the value of such real estate may exceed 90%.

6. Section 148 of P. L. 1963, c. 144 (C. 17:12B–148) is amended to read as follows:

C. 17:12B-148 Sinking fund loans.

148. Each sinking fund loan, as defined in section 5 of this act, shall require periodical payments, at least monthly, on an account pledged as collateral security for such loan which shall be sufficient to pay such loan in a period of 35 years or less. Any association may by agreement with the borrowing member provide for the application of such account to the principal of the loan and for a reduction in the periodical payments required on an account thereafter; provided, however, that such periodical payments thereafter required shall be sufficient to retire the loan within a period of 35 years or less, from the time of the making of such agreement. The amount of any sinking fund loan, less the withdrawal value of any account which may be pledged as collateral security therefor, shall not exceed 90% of the value of such real estate as found by appraisal at the time when the loan is granted.

7. Section 149 of P. L. 1963, c. 144 (C. 17:12B–149) is amended to read as follows:

C. 17:12B-149 Straight mortgage loans.

149. Straight Mortgage Loans. Each straight mortgage loan, as defined in section 5 of this act, shall be limited to a term not to exceed 5 years and the amount of any such straight mortgage loan shall not exceed 60% of the value of the property as found by appraisal at the time the loan is granted. Interest shall be payable at least semiannually.

An association may renew any straight mortgage loan held by it for periods not exceeding 5 years each and for an amount not in excess of 60% of the value of the real estate as found by appraisal at the time of any such renewal.

Repealer.

8. Section 150 of P. L. 1963, c. 144 (C. 17:12B–150) is repealed.

9. Section 151 of P. L. 1963, c. 144 (C. 17:12B–151) is amended to read as follows:

C. 17:12B-151 Construction loans.

151. Construction loans. A mortgage loan may be made subject to the provisions of sections 146 through 149 of this act, for the purpose of enabling the borrower to make improvements to real property owned by such borrower and to construct a building or buildings upon such real property, under the following conditions and limitations:

(1) The appraisal committee acting under the provisions of section 167 of this act shall include the values of the following items in rendering such appraisal:

(a) The value of the proposed building or buildings to be constructed.

(b) The value of the land.

(c) The value of improvements to be made to the land.

(2) An association may advance moneys on such loan as the land is improved and as the construction of a building or buildings proceeds thereon. Where such loan is a straight mortgage loan, the proceeds of which are used or to be used in pursuance of a plan to improve the mortgaged real estate it may, notwithstanding the limitations of section 149 of this act, be made in an amount not to exceed 80% of the value of such real estate as found by appraisal at the time the loan is granted and for a term of not more than 5 years, and provided further that such a loan may be renewed for a further period of not more than 1 year.

(3) At no time shall a greater sum be advanced on account of such land than is authorized by either the appraiser or appraisers, provided for in section 167 of this act, or an officer of the association, designated for that purpose by the board, and such committee or officer shall certify that such advancement is warranted by the state of improvements to the land or the state of completion of the construction on such land; provided, however, that at no time shall the association advance moneys in excess of 80% of the value of the land and of the construction completed at the time of such advance.

For the purpose of complying with the provisions of sections 146 through 149 of this act limiting the term of a mortgage loan, a loan made under the provisions of this section shall be deemed

to have been made when the final advance is made to the borrower or 18 months from the date of the mortgage securing such loan, whichever is earlier.

10. Section 152 of P. L. 1963, c. 144 (C. 17:12B–152) is amended to read as follows:

C. 17:12B-152 Regulations covering mortgage loans.

152. The commissioner may adopt, amend, alter or rescind regulations permitting insured associations, in addition to the powers to make mortgage loans hereinabove set forth, to make mortgage loans to a greater percentage of appraised value or for a longer term of years, or both, than is otherwise limited by this act and to make any other loan or investment for a purpose not specifically authorized by this act, but nothing herein shall authorize the commissioner to adopt a regulation which would permit such associations to make any kind of loan or investment which Federal associations are not specifically authorized to make. Any loans or investments legally made under the provisions of regulations adopted under the authority granted by this section shall be legal loans or investments if they conform with the regulations in effect at the date of closing or purchase of said loan or investment, notwithstanding the subsequent amendments, alterations, rescissions or repeals of the regulations in effect at the date of such closing or purchase.

11. Section 153 of P. L. 1963, c. 144 (C. 17:12B–153) is amended to read as follows:

C. 17:12B-153 Power to establish requirements.

153. The commissioner shall have power, in relation to loans or investments described in section 152, to set forth in such regulations the requirements which in his judgment are necessary to establish appropriate safeguards. The commissioner may also establish a requirement that an insured association shall meet minimum reserve requirements which may be set forth in such regulations, in order to be eligible to make loans or investments under the provisions of section 152 of this act. The commissioner, when issuing such regulations, shall to the extent feasible and after giving consideration to the financial and economic circumstances and the public welfare, endeavor to promulgate such rules and regulations in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board as applied to Federal associations.

12. Section 155 of P. L. 1963, c. 144 (C. 17:12B–155) is amended to read as follows:

C. 17:12B-155 Other loans.

155. Other loans. Other loans may be made as follows:

A. Account loans. Loans secured by a pledge of a member's savings account. No such loan shall exceed the withdrawal value of the pledged account. Interest on such loans shall not be charged at a rate in excess of the maximum permitted under the provisions of R. S. 31:1–1 unless a higher rate is required by any applicable Federal regulation that establishes minimum rates that must be charged on loans secured by savings accounts; in which event, the interest charged shall not be greater than that specified by such Federal regulation.

B. Purchase of loans. An association may purchase any mortgage loan, property repair, alteration, improvement or rehabilitation loan, or any other loan which an association is authorized to make.

C. Loans secured by a mortgage upon a lease of the fee of real property. Any association may invest in any obligation secured by a mortgage on a lease of the fee of real property. The term of the leasehold interest securing such loan shall be not less than 50 years from the date such loan is granted; otherwise, such loans shall be made pursuant to sections 146 through 154, 167 and 168 of this act.

D. Camp meeting leaseholds. An association may invest in any obligation secured by a first mortgage, as defined in section 11 of this act, on any leasehold estate of real estate, in this State, of any camp meeting association, to the extent authorized by, and subject to, the limitations and restrictions contained in R. S. 17:2–1.

E. Loans otherwise authorized. An association may make any other loan which it may be authorized to make by any law of this State.

F. Loans on apartments or units established under the "Horizontal Property Act" or the "Condominium Act." An association may invest in any obligation secured by a mortgage on an apartment which is part of a horizontal property regime established under the "Horizontal Property Act" or upon a unit which is part of a condominium established under the "Condominium Act," All such loans shall be made pursuant to sections 146 through 154, 167 and 168 of this act.

G. Educational loans. In addition to the authority otherwise granted by law for an association to make loans guaranteed or insured in whole or in part by the United States of America or the State of New Jersey, or any instrumentality or agency of either

of them, or for which a commitment to so guarantee or insure has been made, an association may make any loans so guaranteed or insured or for which a commitment to so guarantee or insure has been made where such loans are made for the purposes of financing the expenses of higher education. Such loans may be made in accordance with the terms and conditions permitted by the guaranteeing or insuring authority, notwithstanding any other provisions of law limiting interest or other charges or prescribing other terms and conditions.

H. Loans on building lots. An association may invest in any obligation secured by a mortgage which is a first lien on a building lot, where it is represented by the borrower at the time the loan is made that he intends to build or have built a dwelling on the building lot for his own use and occupancy. The amount of such loan shall not exceed 80% of the value of the real estate as found by appraisal at the time the loan is granted and shall be a direct reduction loan as defined in section 5 of this act, which shall require periodic payments sufficient to pay the principal and interest on the loan in full over a period of 10 years or less.

I. Secondary mortgage loans. An association may make or invest in any secondary mortgage loan as defined in section 5 of P. L. 1963, c. 144 (C. 17:12B–5). Secondary mortgage loans shall be repayable in installments under the same terms and conditions as provided for secondary mortgage loan licensees under the "Secondary Mortgage Loan Act," P. L. 1970, c. 205 (C. 17:11A–34 et seq.) only with respect to maximum annual percentage rate of interest. The Commissioner of Banking shall have the power, in relation to a "secondary mortgage loan," to adopt, amend, alter or rescind regulations, the requirements of which, in his judgment, are necessary for the implementation of this subsection.

J. Mobile homes. An association may invest in mobile or manufactured home chattel paper by making or by buying loans or installment sales contracts on mobile or manufactured homes.

K. Consumer loans.

(1) An association may invest in or make installment loans upon the same terms and conditions prescribed for banks in accordance with Article 12 of the "Banking Act of 1948," P. L. 1948, c. 67 (C. 17:9A–1 et seq.), subject to the limitation established in subsection M. of this section.

(2) In addition, subject to the limitation established in subsection M. of this section, an association may invest in or make secured or unsecured loans for personal, family, or household purposes to the extent and under the conditions permitted by the

rules and regulations adopted by the commissioner from time to time. The rate of interest on such loans shall not be in excess of the rate of interest provided for in section 160 of P. L. 1963, c. 144 (C. 17:12B–160) or in excess of any rate of interest for such loans as may be otherwise authorized by law. The commissioner shall promulgate such rules and regulations in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

L. Advance loans. An association may make advance loans upon the same terms and conditions prescribed for banks in accordance with Article 12A of the "Banking Act of 1948," P. L. 1948, c. 67 (C. 17:9A–1 et seq.).

M. Limitations on loans and investments. Loans or investments in the following subsections shall not exceed, in the aggregate for each subsection, 20% of the assets of the association, provided that the commissioner may, by regulation, establish an amount in excess of 20% for each subsection if such excess amount is in conformity with Federal law or rule or regulation of the Federal Home Loan Bank Board:

(1) Loan secured by a first lien on real estate which are solely for business or commercial purposes, as authorized by this act;

(2) Secured or unsecured loans for personal, family, or household purposes, and commercial paper and corporate debt securities; provided, however, that no percentage of assets limitation shall apply to the issuance of credit cards or the extension of credit therewith, the investment in property improvement loans as defined in section 158 of P. L. 1963, c. 144 (C. 17:12B–158), or the investment in advance loans as defined in subsection L. of this section.

13. Section 157 of P. L. 1963, c. 144 (C. 17:12B–157) is amended to read as follows:

C. 17:12B-157 Investments in property improvement loans.

157. Investments in loans for the purpose of repair, alteration, improvement, construction, adding to, modernizing, equipping or rehabilitation of real estate upon which an association shall not be required to hold a mortgage lien. Such a loan shall be known as a "property improvement loan." Any association may make loans subject to the limitations set forth in sections 159 through 164 (C. 17:12B–159 through C. 17:12B–164) of this act for the repair, alteration, improvement, construction, adding to, modernizing, equipping or rehabilitation of real estate, which is used wholly or partially for dwelling purposes, including loans for restoration, rehabilitation, rebuilding and replacement of properties which have

been damaged or destroyed by fire, hurricane, flood, cyclone, tornado or other catastrophe.

14. Section 158 of P. L. 1963, c. 144 (C. 17:12B–158) is amended to read as follows:

C. 17:12B-158 Definitions.

158. Definitions as used in sections 159 through 164 (C. 17:12B–159 through C. 17:12B–164) of this act.

The following words and phrases as used in sections 159 through 164 (C. 17:12B–159 through C. 17:12B–164) of this act, unless a different meaning is plainly required by the context, shall have the following meanings:

(1) "Property improvement loan" means a loan, secured or unsecured, the purpose of which, as represented to the association by the borrower, is to enable the borrower to pay the cost in whole or in part of repairing, altering, improving, constructing, adding to, modernizing, equipping or rehabilitating real estate used wholly or partially for dwelling purposes and in connection with which the borrower files with the association, at the time when the loan is made, a statement, that the proceeds of the loan will be used to pay the cost, in whole or in part, of modernizing, rehabilitating, altering, constructing, adding to, repairing, equipping or improving such real property, as the case may be.

(2) (Deleted by amendment.)

(3) "Net proceeds" means the difference between the face amount of the note evidencing such loan and that part of such face amount which represents precomputed interest.

(4) "Loan for equipping" means a loan, the proceeds of which are used to finance those items usually and customarily used by the borrower in connection with a residential dwelling, whether or not affixed to the realty. The Commissioner of Banking shall in relation to a "loan for equipping," adopt, amend, alter or rescind regulations, the requirements of which, in his judgment, are necessary to establish appropriate safeguards. The commissioner, when issuing such regulations, shall, to the extent feasible and after giving consideration to the financial and economic circumstances and the public welfare, endeavor to promulgate such rules and regulations in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board as applied to Federal associations.

(5) "Precomputed interest" means an amount equal to the whole amount of the interest payable on a loan as defined in this section

for the period from the making of the loan to the date scheduled by the terms of the loan for the payment of the final installment.

(6) "Person" means an individual, a partnership, a business, a corporation and an association.

(7) "Actuarial method" means the method of applying payments made on a debt between principal and interest pursuant to which a payment is applied first to accumulated interest on the principal amount of the loan and the remainder is applied to the unpaid principal balance of the loan in reduction thereof.

(8) "Precomputed loan" means an installment loan which is evidenced by a note the face amount of which consists of the aggregate of the principal amount of the loan so evidenced, and the precomputed interest thereon.

(9) "Nonprecomputed loan" means an installment loan which is evidenced by a note the face amount of which consists solely of the principal amount of the loan so evidenced.

15. Section 159 of P. L. 1963, c. 144 (C. 17:12B–159) is amended to read as follows:

C. 17:12B-159 Limitations on such loans.

159. Limitations on such loans.

(1) (Deleted by amendment.)

(2) Each such loan shall be evidenced by one or more notes, bonds or other written evidence of indebtedness, and no security other than an interest in tangible personal property, or a mortgage upon the real property shall be taken directly or indirectly to secure the same prior to default. An interest in real property taken as security for a property improvement loan shall not be deemed to be a mortgage loan within the meaning of Article X of this act and shall not be subject to the provisions of that article.

(3) (Deleted by amendment.)

(4) Each loan as defined in section 158 of this act (C. 17:12B–158) shall be repayable in regular installments payable at least quarterly over a period not exceeding 20 years and 32 days subsequent to the making of such loan. The amount of any installment shall not be greater or less than any other installment, except that the first installment or last installment, or first and last installments may be in an amount other than that of a regular installment, but any such installment shall not be less than one-half of, nor more than one and one-half times the amount of the regular installment. An association which makes a loan as defined in section 158 of P. L. 1963, c. 144 (C. 17:12B–158) shall not require that more

than one installment be payable in any one payment period, except that the last two installments may be payable in the same payment period. Every such loan shall provide for payment periods of equal duration measured in terms of weeks or months, except that the period scheduled to elapse between the making of the loan and the date when the first installment is scheduled to be paid, hereinafter in this paragraph referred to as "the initial payment period" may be longer than any other payment period, but may not exceed 120 days. Any such loan may provide for the omission of installments during any period not exceeding 120 days in any one 12-month period. When the period during which installments are so omitted falls within or coincides with the initial payment period as hereinabove defined, the initial payment period may be longer than any other payment period, but may not exceed 120 days.

(5) Nothing in this section shall prevent an association from making a loan as defined in section 158 of P. L. 1963, c. 144 (C. 17:12B–158), the proceeds of which will be applied in whole or in part to the repayment at or before final maturity of a loan theretofore made under the provisions of this section.

(6) An association which makes a loan as defined in section 158 of P. L. 1963, c. 144 (C. 17:12B–158) may,

(a) When the payment of such loan is secured, and provision is made by law for the filing or recording of the instrument of security or notice or abstract thereof, require compliance with such provision and retain the cost of such recording or filing out of the proceeds of the loan but shall make no other charges in connection with the preparation of such mortgage or other security instruments; and

(b) When the maturity of the unpaid balance of the loan is accelerated, in accordance with the terms of the instrument evidencing the obligation, charge interest at a rate not exceeding the rate charged on the loan, from the date such acceleration takes place, upon the difference between the amount of the unpaid principal balance of the loan, and the amount of credit given pursuant to section 163 (C. 17:12B–163).

No association shall make any further interest or charge or demand, in connection with such loan, other than those expressly authorized by sections 159 through 164 (C. 17:12B–159 through C. 17:12B–164) of this act, except an association may charge interest at a rate not exceeding the rate charged on the loan upon each installment in arrears for the period from the date that

default in the payment of such installment occurs to the date that payment of such installment is made; or, if the maturity of the unpaid balance of the loan is accelerated, as provided in this section, to the date upon which such acceleration takes place. In lieu of providing for interest pursuant to this paragraph (b), such instrument may provide that on any installment in arrears for more than 15 days, the association may make a late charge which shall not exceed 5% of such installment, or $5.00 whichever is the lesser; provided that only one such late charge shall be made on any one installment and that no such late charge shall be made upon any installment scheduled, by the terms of such instrument, to fall due upon a date subsequent to the date upon which the maturity of the unpaid balance of the loan is accelerated as provided by this section.

(c) No person who is a party to the instrument evidencing the loan shall be released or discharged from liability to the association by reason of the association's extending the time for the payment of an installment or installments owing or due upon such loan, or by reason of the association's waiver of any term or condition of the instrument evidencing such loan, or of the instrument intended to secure payment thereof.

(d) All parties to the instrument evidencing the loan may waive presentation for payment, demand for payment, protest and notice of protest, nonpayment, dishonor, and the association's election to accelerate the maturity of the unpaid balance of the loan.

For the purposes of this section,

(i) "Unpaid principal balance" of a loan means the face amount of the note evidencing such loan, less the aggregate of all installments paid thereon, plus the cost of any insurance paid for by the association pursuant to paragraph (f) of subsection (6) of this section, after crediting against such cost the amount of the return premium, if any, received by the association on cancellation of prior insurance paid for by the borrower or the cost of which was retained out of the proceeds of the loan;

(ii) "Unpaid balance" of a loan means the unpaid principal balance of such loan, plus unpaid interest and late charges, if any.

(e) Require one or more comakers or endorsers of the instrument evidencing a loan, or one or more guarantors of payment of the loan;

(f) When the payment of such loan is secured, require that such

security be insured for the benefit of the association against such loss or damage as the association may require, and may retain out of the proceeds of such loan the premium for such insurance. If such insurance expires, lapses, or is canceled and other insurance by insurers and in amounts satisfactory to the association is not furnished to the association without lapse of coverage, the association may, but shall be under no duty to, obtain insurance upon such security, and the cost thereof, less the amount of the return premium, if any, received by the association on cancellation of prior insurance paid for by the borrower, or the cost of which was retained out of the proceeds of the loan, shall be added to and become part of the principal of such loan, payable upon demand with interest at the legal rate; and, in default of such payment within 30 days after such demand, the entire unpaid balance of the loan shall, at the election of the association become immediately due and payable;

(g) Upon institution of a suit for the collection of a loan in default, charge a collection fee, in addition to court costs allowable by law, equal to 10% of the unpaid balance of the loan, but in no case shall such collection fee exceed $100.00;

(h) Extend the scheduled due date of any loan and defer the scheduled due date of any or all installment payments, or reduce the amount of any or all installments and may, as a consideration therefor, make a total additional charge not to exceed the amount ascertained under the provisions of section 160 (C. 17:12B–160).

16. Section 165 of P. L. 1963, c. 144 (C. 17:12B–165) is amended to read as follows:

C. 17:12B-165 Other investments, securities.

165. Other investments, securities. A State association may invest as follows:

(1) Obligations of the United States. In obligations of or guaranteed as to principal and interest by the United States of America.

(2) Federal Home Loan Bank Stock. In stock of the Federal Home Loan Bank, of which it is eligible to be a member; and in other obligations of any Federal Home Loan Bank or banks or of the Federal Home Loan Bank System.

(3) Participation in mortgage loans.

In the investment in participating interests in mortgage loans. The mortgage which secures payment of any such participating interest shall be a lien upon real estate and shall conform with the limitations, conditions and requirements set forth in this

article regulating direct reduction mortgage and straight mortgage loans, with respect to priority of lien, the percentage of such loan to be the appraised value of the mortgaged property, and the terms of repayment of such loan or in conformity with the limitations, conditions and requirements set forth in rules and regulations of the Federal Savings and Loan Insurance Corporation. Such participating interest shall entitle the State association to share all money and other benefits derived from such mortgage loan, or incidental thereto, pro rata with, or with preference and priority over, the holder of any other participating interest therein.

(4) Accounts of other associations. In accounts of any insured State association of this State and of any Federal association whose principal office is located in this State; provided, that no such investment shall be made in excess of the amount for which such account is insured by the Federal Savings and Loan Insurance Corporation.

(5) Savings banks' investments. In any investment in which savings banks of New Jersey are or shall be authorized to invest by any law of this State, other than investments which are, or which hereafter shall be, specifically designated and regulated by this act; provided, however, no funds may be invested pursuant to this subsection which are required for authorized loans to members.

(6) Loans on securities. In loans upon obligations secured by the pledge of any security designated in subsections (1) and (5) of this section; provided, that any loan made on an obligation designated in subsection (1) of this section shall not exceed the market value of the obligation pledged as collateral and any loan made on the security designated in subsection (5) of this section, shall not exceed 80% of the market value of the security pledged as collateral and provided further, that no funds may be invested pursuant to this subsection which are required for other authorized loans to members.

(7) Central and other service corporations.

(a) In the capital stock, securities, debentures or other obligations of a single corporation organized under the laws of the State of New Jersey, the entire capital stock of which corporation shall be open to, subscribed for, and issued to State associations of this State and such Federal associations that have their principal offices in this State; provided, however, that the original capital stock of such corporation shall aggregate at least $200,000.00 from subscriptions and payments by at least 10 of the aforementioned associations; and provided further, that no association, aforementioned, may invest its funds under this subsection in an amount

exceeding 5% of its assets at the time of such subscription, payment or investment, except with the approval of the commissioner.

(b) In the capital stock, securities, debentures or other obligations of any corporation organized under the laws of the State of New Jersey, if the entire capital stock of such corporation is available for purchase only by State associations of this State and such Federal associations that have their principal offices in this State; provided, however, that no association aforementioned may make any investment under this subsection in an amount exceeding 3% of its assets, except with the approval of the commissioner.

(8) Federal corporations. In the capital stock, securities, debentures or other obligations of any corporation created by Act of Congress in which such investment may be open to associations and which shall afford advantages or safeguards to associations.

(9) In any other investment in which an association is, or shall be, authorized to invest by any law of this State.

(10) Participation in loans or investments. In a participating interest in any loan or investment which an association is authorized to make.

(11) State securities. Investments in the general obligations of any state or any political subdivision thereof.

(12) Loans to financial institutions, brokers and dealers. Loans to financial institutions with respect to which the United States or any agency or instrumentality thereof has any function of examination or supervision, or to any broker or dealer registered with the Securities and Exchange Commission, secured by loans, obligations, or investments in which the association has the statutory authority to invest directly.

(13) Investment companies. An association may invest in, redeem, or hold shares of certificates in any open-end management investment company which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the portfolio of which is restricted by such management company's investment policy, changeable only if authorized by shareholder vote, solely to any such investments as an association by law or regulation may, without limitation as to percentage of assets, invest in, sell, redeem, hold, or otherwise deal with. The commissioner may prescribe rules and regulations to implement the provisions of this subsection and shall promulgate such rules and regulations in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

(14) Commercial paper and corporate debt securities. Subject to the limitation of subsection M. of section 155 of P. L. 1963,

c. 144 (C. 17:12B–155), an association may invest in, sell or hold commercial paper and corporate debt securities, as defined and approved pursuant to rules and regulations promulgated by the commissioner. The commissioner shall promulgate such rules and regulations in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

17. Section 168 of P. L. 1963, c. 144 (C. 17:12B–168) is amended to read as follows:

C. 17:12B-168 Limitation on amounts of real estate loans and investments.

168. Limitation on amounts of real estate loans and investments. No State association shall loan upon the security of, nor invest in any contract for the resale of, any one property, more than $35,000.00 or an amount equal to 2½% of its assets whichever amount is greater.

Notwithstanding the above limits, the commissioner may adopt, amend, alter or rescind regulations permitting associations to make loans for a greater amount or to increase the percentage limitation hereinabove set forth. The commissioner may give consideration to the size of the association, its reserves and current economic conditions in issuing such regulations. Any loan or investments legally made under the provisions of regulations adopted under the authority granted by this section shall be legal loans or investments if they conform with the regulations in effect at the date of closing or purchase of said loan or investment, notwithstanding the subsequent amendments, alterations, rescissions or repeals of the regulations in effect at the date of such closing or purchase.

18. Section 169 of P. L. 1963, c. 144 (C. 17:12B–169) is amended to read as follows:

C. 17:12B-169 Restrictions on investments.

169. Restrictions on investments. (1) No uninsured State association shall make any of the investments authorized by this act, except investments in account loans, obligations of or guaranteed as to principal and interest by the United States of America, stock of the Federal Home Loan Bank Board of which it is eligible to be a member; and any other obligations of any Federal Home Loan Bank Board System or obligations of any agency or instrumentality of the United States of America, if and so long as, the sum of its cash on hand in the banks and the value of its investments in obligations of the United States of America and of agencies and instrumentalities of the United States of America, is less than 5% of its capital.

(2) No State association shall make any of the investments authorized by this act, except investments in obligations of, or guaranteed as to principal and interest by the United States of America, stock of the Federal Home Loan Bank of which it is eligible to be a member; and in other obligations of any Federal Home Loan Bank or banks, or the Federal Home Loan Bank System, or obligations of any agency or instrumentality of the United States of America, at any time when any application for withdrawal remains unpaid in whole or in part, 90 days after the date of the filing thereof.

19. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 102

AN ACT to amend the "Retail Installment Sales Act of 1960," approved June 9, 1960 (P. L. 1960, c. 40), P. L. 1961, c. 121, P. L. 1966, c. 324, P. L. 1971, c. 399, P. L. 1971, c. 409 and P. L. 1977, c. 220.

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

1. Section 1 of P. L. 1960, c. 40 (C. 17:16C–1) is amended to read as follows:

C. 17:16C-1 Definitions.

1. In this act, unless the context otherwise requires, the following words and terms shall have the following meanings:

(a) "Goods" means all chattels personal which are primarily for personal, family or household purposes, including merchandise certificates and coupons to be exchanged for goods or services, having a cash price of $10,000.00 or less, but not including money or other choses in action. Goods shall not include chattels personal sold for commercial or business use.

(b) "Retail installment contract" means any contract, other than a retail charge account or an instrument reflecting a sale pursuant thereto, entered into in this State between a retail seller and a retail buyer evidencing an agreement to pay the retail purchase price of goods or services, which are primarily for personal,

family or household purposes, or any part thereof, in two or more installments over a period of time. This term includes a security agreement, chattel mortgage, conditional sales contract, or other similar instrument and any contract for the bailment or leasing of goods by which the bailee or lessee agrees to pay as compensation a sum substantially equivalent to or in excess of the value of the goods, and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of such goods upon full compliance with the terms of such retail installment contract.

(c) "Retail seller" means a person who sells or agrees to sell goods or services under a retail installment contract or a retail charge account to a retail buyer, and shall include a motor vehicle installment seller.

(d) "Retail buyer" means a person who buys or agrees to buy goods or services from a retail seller, not for the purpose of resale, pursuant to a retail installment contract or a retail charge account.

(e) "Person" means an individual, partnership, firm, corporation, banking institution, association or any other group of individuals however organized.

(f) "Sales finance company" means and includes any person engaging in this State in the business of acquiring or arranging for the acquisition of retail installment contracts or obligations incurred pursuant to retail charge accounts by purchase, discount, pledge or otherwise from a retail seller which is not wholly owned by or does not wholly own such person, and any person engaging, directly or indirectly, in the business of soliciting the purchase of retail installment contracts or obligations incurred pursuant to retail charge accounts from a retail seller which is not wholly owned by or does not wholly own such person, or in the business of aiding the retail seller in selling, assigning or arranging for the sale or assignment of retail installment contracts or obligations incurred pursuant to retail charge accounts, and any person other than a retail seller who enters into a retail charge account with a retail buyer.

(g) "Motor vehicle" includes all vehicles used for transportation upon a highway propelled otherwise than by muscular power, excepting such vehicles as run only upon rails or tracks.

(h) "Motor vehicle installment seller" means a dealer in motor vehicles, who is required to be licensed under chapter 10 of Title 39

of the Revised Statutes and who sells or offers to sell a motor vehicle to a retail buyer under a retail installment contract.

(i) "Cash price" means the minimum price for which the goods or services subject to a retail installment contract or a retail charge account or other goods or services of like kind and quality may be purchased for cash from the seller by the buyer, as stated in the retail installment contract, the retail charge account or an instrument reflecting a sale pursuant thereto.

(j) "Down payment" means all payments made in cash or in goods or partly in cash and partly in goods, received by the retail seller prior to or substantially contemporaneous with either the execution of the retail installment contract or the delivery of the goods, whichever occurs later.

(k) "Official fees" means the filing or other fees required by law to be paid to a public officer to perfect an interest or lien, on the goods, retained or taken by a retail seller under a retail installment contract and motor vehicle license and transfer fees paid to the State.

(l) "Time price differential" means the amount or amounts, however denominated or computed, in addition to the cash price or prices, to be paid by the retail buyer for the privilege of purchasing goods or services pursuant to a retail installment contract or a retail charge account. The term does not include the amount, if a separate charge is made therefor, for insurance and official fees.

(m) "Holder" means any person, including a retail seller, who is entitled to the rights of a retail seller under a retail installment contract or retail charge account.

(n) "Banking institution" means any bank, national banking association, savings bank, or Federally chartered savings bank authorized to do business in this State, and for the purposes of this act only, an association as defined in section 5 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–5).

(o) "Commissioner" means the Commissioner of Banking of New Jersey and includes his deputies or any salaried employee of the Department of Banking named or appointed by the said commissioner to perform any function in the administration or enforcement of this act.

(p) "Payment-period" means the period of time scheduled by a retail installment contract to elapse between the days upon which installment payments are scheduled to be made on such contract; except that, when installment payments are scheduled to be omitted,

pursuant to section 26, "payment-period" means the period of time scheduled by the contract to elapse between the days upon which installment payments are scheduled to be made during that portion of the contract period in which no installment payment is scheduled to be omitted.

(q) "Contract period" means the period beginning on the date of a retail installment contract and ending on the date scheduled by the contract for the payment of the final installment.

(r) "Retail charge account" means any account, other than a retail installment contract or a home repair contract which is subject to the "Home Repair Financing Act" (P. L. 1960, c. 41; C. 17:16C–62 et seq.), established by an agreement which prescribes the terms under which a retail buyer may from time to time purchase or lease goods or services which are primarily for personal, family or household purposes, and under which the unpaid balance thereunder, whenever incurred, is payable in one or more installments and under which a time price differential may be added in each billing period as provided herein. Retail charge account also includes all accounts arising out of the utilization by the holder of a credit card, letter of credit or other credit identification issued by a sales finance company, giving the holder the privilege of using the credit card, letter of credit or other credit identification to become a retail buyer in transactions out of which debt arises: (1) by the sales finance company's payment or agreement to pay the retail buyer's obligations; or (2) by the sales finance company's purchase from the retail seller of the obligations of the user of the credit card, letter of credit or other credit identification as a retail buyer.

(s) "Services" means and includes work, labor and services, professional and otherwise which are primarily for personal, family or household purposes but does not include services which are subject to the "Home Repair Financing Act," and insurance premiums financing which is subject to the "Insurance Premium Finance Company Act" (P. L. 1968, c. 221; C. 17:16D-1 et seq.).

(t) "Billing period" means the time interval between regular periodic billing statement dates. In the case of monthly billing periods, such intervals shall be considered equal intervals of time if the billing date of a billing period does not vary more than 4 days from the billing date of the immediately preceding billing period. In the case of billing periods which are not monthly, the permissible variation in billing dates shall be that proportion of 4

days (adjusted to the nearest whole number) which the number of days in the billing period bears to 30.

(u) "Professional services" means services rendered or performed by a person authorized by law to practice a recognized profession whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 103

AN ACT concerning the manner and terms of repayment of, and the rate of interest and other charges on, loans and other transactions which create a contractual debtor-creditor relationship, revising parts of the statutory law and supplementing P. L. 1968, c. 54.

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

1. Section 53 of P. L. 1948, c. 67 (C. 17:9A–53) is amended to read as follows:

C. 17:9A-53 Scope of article; definitions; interest.

53. Scope of article; definitions; interest.

A. In addition to such other loans which banks are authorized to make, a bank may make secured and unsecured installment loans upon the terms and conditions prescribed by this article, but this article shall not be construed as prescribing an exclusive method for the making of loans which are payable in installments.

B. As used in this article:

(1) "Bank" means a banking institution as defined in section 1 (C. 17:9A–1) of this act;

(2) "Installment loan" means a loan (1) which is required by its terms to be repaid in two or more installments; (2) upon which interest is contracted for at a rate in excess of that authorized

pursuant to R. S. 31:1–1; (3) the amount of which does not exceed the amounts authorized by subsection D. of section 54 of this act (C. 17:9A–54D.), and (4) the final installment of which is payable not more than 12 years and 3 months subsequent to the date upon which such loan is made. The terms "installment loan" and "installment loans" as used in this article include both precomputed and nonprecomputed installment loans unless otherwise expressly stated;

(3) (Deleted by amendment.)

(4) (Deleted by amendment.)

(5) "Person" means an individual, a partnership and an association;

(6) (Deleted by amendment.)

(7) (Deleted by amendment.)

(8) (Deleted by amendment.)

(9) "Actuarial method" means the method of applying payments made on a loan between principal and interest pursuant to which a payment is applied first to accumulated interest on the principal amount of the loan and the remainder is applied to the unpaid principal balance of the loan in reduction thereof;

(10) "Precomputed interest" means an amount equal to the whole amount of interest payable on an installment loan for the period from the making of the loan to the date scheduled by the terms of the loan for the payment of the final installment;

(11) "Precomputed loan" means an installment loan which is evidenced by a note the face amount of which consists of the aggregate of the principal amount of the loan so evidenced, and the precomputed interest thereon;

(12) "Nonprecomputed loan" means an installment loan which is evidenced by a note the face amount of which consists solely of the principal amount of the loan so evidenced;

(13) "Unpaid balance" of an installment loan means the aggregate of the following:

(i) The face amount of the note evidencing such loan;

(ii) All amounts paid by the bank and added to such loan as provided in paragraph (2) of subsection A of section 55;

(iii) All interest accrued and unpaid;

(iv) Such further charges as the bank may make pursuant to law in protecting or enforcing a security interest in any property securing the payment of such loan or otherwise;

(v) In the case of precomputed loans, the amount of all late charges imposed pursuant to section 55;

less the aggregate of the following:

(vi) All installment payments made in the case of a precomputed loan, or all payments made in reduction of principal in the case of a nonprecomputed loan;

(vii) All payments made on account of or in payment in full of any charges or amounts referred to in subparagraphs (ii), (iii), (iv) and (v) of this paragraph (13); and

(viii) In the case of a precomputed loan, the amount of the credit to which the borrower is entitled pursuant to section 56;

(14) "Class I installment loan" means an installment loan which is unsecured, and also means an installment loan which is secured by an interest in tangible or intangible personal property;

(15) "Class II installment loan" means an installment loan which is secured by an interest in real property.

C. Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, a bank may contract for and receive interest on installment loans calculated according to the actuarial method, at a rate or rates agreed to by the bank and the borrower. This subsection shall not limit or restrict the manner of contracting for the interest charge, whether by way of add-on, discount or otherwise, so long as the interest rate does not exceed that permitted by this subsection. In the case of a precomputed loan, the interest may be computed on the assumption that all scheduled payments will be made when due, and all scheduled installment payments made on a precomputed loan may be applied as if they were received on their scheduled due dates. In the case of nonprecomputed loans, all installment payments shall be applied no later than the next day, other than a public holiday, after the date of receipt, and a day shall be counted as one-three-hundred-sixty-fifth of a year.

D. (Deleted by amendment.)

E. (Deleted by amendment.)

F. (Deleted by amendment.)

G. The commissioner may prepare and distribute to such banks as shall make a request therefor, a schedule or schedules to be used in ascertaining precomputed interest, or he may approve a subsisting schedule or schedules, and interest taken pursuant to such schedule or schedules shall constitute a complete compliance

with this section. A copy of such schedule or schedules, certified by the commissioner, shall be evidence in all courts and places.

2. Section 54 of P. L. 1948, c. 67 (C. 17:9A–54) is amended to read as follows:

C. 17:9A-54 Limitations and conditions.

54. Limitations and conditions.

A. Every installment loan shall be evidenced by a note the face value of which shall be in an amount determined pursuant to paragraph (11) or (12) of subsection B. of section 53, as the case may require, and which shall provide for payments to be made at monthly intervals on the corresponding date in each month. The note may provide for an increase, or may provide for a decrease, or both, in the rate of interest applicable to such installment loan. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the note provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the note. No rate increase shall take effect during the first 3 years of the term of the loan, or thereafter, (a) unless at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase in the rate. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. If the note does provide that the interest rate may be increased then, notwithstanding the provisions of section 56 of P. L. 1948, c. 67 (C. 17:9A–56), when the unpaid balance owing upon a precomputed loan is repaid in full or the maturity of the unpaid balance of such loan is accelerated before the date scheduled for the payment of the final installment, the bank shall allow a credit on account of the precomputed interest, calculated according to the

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actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the loan is prepaid within 12 months after the first payment is due, a bank may charge a prepayment penalty of not more than (a) $20.00 on any loan up to and including $2,000.00; (b) an amount equal to 1% of the loan on any loan greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any loan exceeding $5,000.00.

Effective on the first day of the twelfth month following the effective date of this act, notwithstanding the provisions of section 56 of P. L. 1948, c. 67 (C. 17:9A–56) on all loans, when the unpaid balance owing upon a precomputed loan is repaid in full or the maturity of the unpaid balance of such loan is accelerated before the date scheduled for the payment of the final installment, the bank shall allow a credit on account of the precomputed interest, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the loan is prepaid within 12 months after the first payment is due, a bank may charge a prepayment penalty of not more than (a) $20.00 on any loan up to and including $2,000.00; (b) an amount equal to 1% of the loan on any loan greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any loan exceeding $5,000.00. Such note may further provide that up to 3 months may elapse between the date of the loan and the date scheduled for the payment of the first installment, or between the dates scheduled for the payment of subsequent installments, provided that in any 12-month period there shall be not more than 3 months during which no installment is scheduled to be paid.

B. No installment loan shall be made the final installment of which is scheduled to be paid more than 12 years and 3 months subsequent to the date upon which such loan is made.

C. No bank shall make any further interest or other charge or demand in connection with such loan, other than those expressly authorized by this article.

D. No bank shall make a Class I installment loan for the payment of which any person shall be liable to the bank in any capacity, if the amount of such Class I installment loan, and the amounts of the unpaid balances owing to the bank on all other Class I installment loans for the payment of which such person is liable to the bank, will in the aggregate exceed $20,000.00 exclusive of interest and other charges, nor shall any bank make a Class II installment loan for the payment of which any person

shall be liable to the bank in any capacity, if the amount of such Class II installment loan, and the amounts of the unpaid balances owing to the bank on all other Class II installment loans for the payment of which such person is liable to the bank, will in the aggregate exceed $25,000.00 exclusive of interest and other charges.

E. (Deleted by amendment; P. L. 1981, c. 103.).

F. Nothing in this section or elsewhere in this article contained shall prevent a bank from making an installment loan, the proceeds of which will be applied in whole or in part to the repayment at or before final maturity of a loan theretofore made under the provisions of this article or otherwise.

3. Section 3 of P. L. 1975, c. 287 (C. 17:9A–53.4) is amended to read as follows:

C. 17:9A-53.4 Educational loans.

3. Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, a banking institution may make educational loans and may charge and collect interest thereon at a rate or rates agreed to by the banking institution and the borrower. Interest shall be calculated according to the actuarial method, pursuant to which payments made on the loan are applied first to accumulated interest on the principal amount of the loan and the remainder applied to the unpaid principal balance of the loan in reduction thereof. All payments shall be applied no later than the next day, other than a Sunday or a public holiday, after the date of receipt, and a day shall be counted as one-three hundred sixty-fifth of a year. The note or other evidence of the loan may provide for an increase, or may provide for a decrease, or both, in the rate of interest applicable to the loan. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the note provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the note. No rate increase shall take effect during the first 3 years of the term of the loan, or thereafter, (a) unless at least 90 days prior to the effective

date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase in the rate. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period.

4. Section 6 of P. L. 1959, c. 91 (C. 17:9A–59.6) is amended to read as follows:

C. 17:9A-59.6 Advance loans.

6. A. Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, the rate or rates on advance loans shall be as agreed to by the bank and the borrower. Interest may be reckoned according to any method authorized by R. S. 31:1–1.

The contract may provide that the interest rate may be increased, or may be decreased, or both, from time to time; provided, however, that no increase in interest shall be effective unless: (a) at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such change and the indebtedness to which it applies and states that the incurrence by the borrower or another person authorized by him of any further indebtedness under the plan to which the agreement relates on or after the effective date of the increase specified in the notice shall constitute acceptance of the increase and (b) either the borrower agrees in writing to the increase or the borrower or another person authorized by him incurs such further indebtedness on or after the effective date of the increase stated in the notice. The provisions of this paragraph permitting an increase in a rate of interest shall not apply in the case of an agreement which expressly prohibits changing of interest rates or which provides limitations on changing of interest rates which are more restrictive than the requirements of this paragraph. If the contract provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the contract.

B. For the purposes of this section, charges for premiums advanced by the bank for credit life insurance, or credit accident and health insurance, or both, shall be treated as part of the principal

balance owing on an advance loan, but no such charge shall be included in determining the maximum permissible indebtedness as limited by section 11 of this act.

C. Notwithstanding the provisions of any other law to the contrary, a bank which issues a credit card in connection with an advance loan contract in effect between the bank and the borrower as authorized by this act may charge the borrower a fee not exceeding $15.00 per annum on an annual or monthly basis. The charge so made (1) may be collected in advance, (2) shall be in addition to and not in substitution of any other fee or charge authorized by this act, and (3) shall not be deemed to be an interest charge.

5. Section 3 of P. L. 1964, c. 162 (C. 17:9A–59.27) is amended to read as follows:

C. 17:9A-59.27 Small business loans.

3. (a) Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, a bank may contract for and receive interest on a small business loan calculated according to the actuarial method, at a rate or rates agreed on by the bank and the borrower. This subsection shall not limit or restrict the manner of contracting for the interest charge, whether by way of add-on, discount or otherwise, so long as such charge does not exceed the limitation imposed by this section. In the case of a precomputed loan, the interest charge may be computed on the assumption that all scheduled payments will be made when due, and all scheduled installment payments made on a precomputed loan may be applied as if they were received on their scheduled due dates. In the case of nonprecomputed loans, all installment payments shall be applied no later than the next day, other than a public holiday, after the date of receipt, and a day shall be counted as one-three-hundred-sixty-fifth of a year.

(b) (Deleted by amendment.)

6. Section 4 of P. L. 1964, c. 162 (C. 17:9A–59.28) is amended to read as follows:

C. 17:9A-59.28 Note; contents.

4. (a) Every small business loan shall be evidenced by a note which shall be dated the day of the making of such loan, and the face amount of which shall be in an amount determined pursuant to paragraph (h) or (i) of section 1, of this act as the case may require.

(b) Each such note shall provide that the amount thereof shall be payable in installments on dates separated by payment-periods of equal duration measured in terms of months. Any such note may provide for the omission of installments, including the first installment, during any period not exceeding 93 days in any one 12-month period. Except as herein otherwise provided, no note shall provide for payment-periods shorter than 1 month or longer than 3 months. No such note shall provide that the final installment shall be payable more than 7 years and 3 months from the date of such note.

(c) Effective on the first day of the twelfth month following the effective date of this act, notwithstanding the provisions of section 11 of P. L. 1964, c. 162 (C. 17:9A–59.35), when the unpaid balance owing upon a precomputed loan is repaid in full or the maturity of the unpaid balance of such loan is accelerated before the date scheduled for the payment of the final installment, the bank shall allow a credit on account of the precomputed interest, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the loan is prepaid within 12 months after the first payment is due, a bank may charge a prepayment penalty of not more than (1) $20.00 on any loan greater than $2,000.00; (2) an amount equal to 1% of the loan on any loan greater than $2,000.00 and up to and including $5,000.00; and (3) $100.00 on any loan exceeding $5,000.00.

7. R. S. 17:10–14 is amended to read as follows:

Loans not exceeding $5,000.

17:10–14. Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, every licensee hereunder may loan any sum of money not exceeding $5,000.00, repayable in installments, and may charge, contract for and receive thereon interest at an annual percentage rate or rates agreed to by the licensee and the borrower.

A loan contract other than an open-end loan contract may provide for an increase, or may provide for a decrease, or both, in the rate of interest applicable to the loan. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more

than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the contract provides for the possibility of an increase or decrease, or both in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the contract. No rate increase shall take effect during the first 3 years of the term of the loan, or thereafter, (a) unless at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase in the rate. No increase during the entire loan shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. Where the loan contract so provides for an increase or decrease in the rate of interest, the provision of R. S. 17:10–13 requiring that no installment be substantially greater in amount than any preceding installment shall not apply.

An open-end loan contract may provide that the interest rate may be increased or may be decreased, or both, from time to time; provided, however, that no increase in interest shall be effective unless: (a) at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such change and the indebtedness to which it applies and states that the incurrence by the borrower or another person authorized by him of any further indebtedness under the plan to which the agreement relates on or after the effective date of the increase specified in the notice shall constitute acceptance of the increase and (b) either the borrower agrees in writing to the increase or the borrower or another person authorized by him incurs such further indebtedness on or after the effective date of the increase stated in such notice. The provisions of this paragraph permitting an increase in a rate of interest shall not apply in the case of an agreement which expressly prohibits changing of interest rates or which provides limitations on changing of interest rates which are more restrictive than the requirements of this paragraph. If the contract provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be

clearly described in plain language, in at least 8-point bold face type on the face of the written notice.

The interest and periodic payments for loans at these rates shall be computed from standard tables based on the actuarial or annuity method which conforms to the so-called "United States Rule of Partial Payments," which provides that interest shall be calculated whenever a payment is made and the payment shall be first applied to the payment of interest and if it exceeds the interest due, the balance is to be applied to diminish principal. If the payment is insufficient to pay the entire amount of interest the balance of interest due shall not be added to principal, so as to produce interest thereon.

No interest shall be paid, deducted, or received in advance. Interest shall not be compounded and shall be computed only on unpaid principal balances. For the purpose of computing interest, all installment payments shall be applied no later than the next day, other than a public holiday, after the date of receipt, and interest shall be charged for the actual number of days elapsed at the daily rate of 1/365 of the yearly rate.

No licensee shall induce or permit any person nor any husband and wife, jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time for the purpose of obtaining a higher rate of interest than would otherwise be permitted by this section. This prohibition shall not apply to any loan made pursuant to any other law of this State.

In addition to the interest herein provided for no further or other charge, or amount whatsoever for any examination, service, brokerage, commission, expense, fee, or bonus or other thing or otherwise shall be directly or indirectly charged, contracted for, or received, except (1) amounts for insurance obtained or provided by the licensee in accordance with the provisions of this chapter; and (2) on actual sale of the security in foreclosure proceedings or upon the entry of judgment. If any interest, consideration or charges in excess of those permitted by this chapter are charged, contracted for, or received, except as the result of a good faith error, the contract of loan shall be void and the licensee shall have no right to collect or receive any principal, interest, or charges whatsoever, and the borrower shall be entitled to recover from the lender any such sums paid or returned to the lender by the borrower on account of or in connection with the loan.

8. Section 11 of P. L. 1970, c. 205 (C. 17:11A–44) is amended to read as follows:

C. 17:11A-44 Secondary mortgage loans.

11. Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, a licensee shall have authority to make a secondary mortgage loan repayable in installments, and may charge, contract for and receive thereon interest at an annual percentage rate or rates agreed to by the licensee and the borrower.

The note evidencing the loan may provide for an increase, or may provide for a decrease, or both, in the rate of interest applicable to the loan. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the note provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the note. No rate increase shall take effect during the first 3 years of the term of the loan, or thereafter, (a) unless at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase in the rate. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. Where the note evidencing the loan so provides for an increase or decrease in the rate of interest, the provision of subsection b. of section 18 of P. L. 1970, c. 205 (C. 17:11A–51b.) requiring that payment be made in substantially equal installment payment amounts shall not apply.

No interest shall be paid, deducted, or received in advance. Interest shall not be compounded and shall be computed only on unpaid principal balances. For the purposes of computing interest, a month shall be considered a calendar month and where a fraction of a month is involved a day shall be considered 1/30 of a month.

9. Section 160 of P. L. 1963, c. 144 (C. 17:12B–160) is amended to read as follows:

C. 17:12B-160 Charges on such loans.

160. Charges on such loans.

Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, the maximum charge which an association may contract for and receive on loans as defined in section 158 of P. L. 1963, c. 144 (C. 17:12B–158) shall not exceed an amount calculated according to the actuarial method at a rate or rates agreed to by the association and the borrower. The evidence of indebtedness may provide for an increase, or may provide for a decrease, or both, in the rate of interest applicable to the loan. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the evidence of indebtedness provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the evidence of indebtedness. No rate increase shall take effect during the first 3 years of the term of the loan, or thereafter, (a) unless at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has ben mailed or delivered to the borower that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase in the rate. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. Where the evidence of indebtedness provides for an increase or decrease in the rate of interest, the provision of subsection (4) of section 159 of P. L. 1963, c. 144 (C. 17:12B–159(4)) requiring that the amount of any installment shall not be greater or less than any other installment shall not apply. If the evidence of indebtedness does provide that the interest rate may be increased then, notwithstanding the provisions of section 163 of P. L. 1963, c. 144 (C. 17:12B–163), when the unpaid balance owing upon a precomputed loan is repaid in full or the

maturity of the unpaid balance of such loan is accelerated before the date scheduled for the payment of the final installment, the association shall allow a credit on account of the precomputed interest, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the loan is prepaid within 12 months after the first payment is due, an association may charge a prepayment penalty of not more than (a) $20.00 on any loan up to and including $2,000.00; (b) an amount equal to 1% of the loan on any loan greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any loan exceding $5,000.00. Effective on the first day of the twelfth month following the effective date of this act, notwithstanding the provisions of section 163 of P. L. 1963, c. 144 (C. 17:12B–163), when the unpaid balance owing upon a precomputed loan is repaid in full or the maturity of the unpaid balance of such loan is accelerated before the date scheduled for the payment of the final installment, the association shall allow a credit on account of the precomputed interest, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the loan is prepaid within 12 months after the first payment is due, an association may charge a prepayment penalty of not more than (a) $20.00 on any loan up to and including $2,000.00; (b) an amount equal to 1% of the loan on any loan greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any loan exceeding $5,000.00. In the case of a precomputed loan, the interest may be computed on the assumption that all scheduled payments will be made when due, and all scheduled installment payments made on a precomputed loan may be applied as if they were received on their scheduled due dates. In the case of nonprecomputed loans, all installment payments shall be applied no later than the next day, other than a public holiday, after the date of receipt, and a day shall be counted as one three-hundred-sixty-fifth of a year.

10. Section 2 of P. L. 1938, c. 293 (C. 17:13–27) is amended to read as follows:

C. 17:13-27 Credit unions.

2. Upon executing, recording and filing a certificate of incorporation as hereinafter provided and upon compliance with the provisions of this act and upon approval of the Commissioner of Banking as hereinafter provided, any seven or more natural persons citizens of this State, may become a credit union and shall be

a corporation by the name set forth in its certificate of incorporation with the following powers:

(a) To receive the savings of its members as payments on shares, including the right to conduct Christmas accounts, vacation accounts, and other such thrift accounts within the membership;

(b) To make loans to its members for provident or productive purposes;

(c) To make loans to any other credit union operating under the provisions of this act or of the Federal Credit Union Act; provided, however, that the aggregate of all loans to other credit unions shall not exceed 25% of its share liability, and no credit union shall loan to any other credit union more than 25% of the share liability of such other credit union;

(d) To invest in or purchase any security in which savings banks of this State are authorized by law to invest, including those investments which are restricted by law to savings banks alone; and shares, certificates and accounts of savings and loan associations organized under the laws of the State of New Jersey and Federal Savings and Loan Associations, provided all such shares, certificates and accounts are insured by an agency or instrumentality of the United States Government, in an amount not to exceed the amount of the insurance; provided, that no such credit union shall invest in securities not permitted under the terms of this act; and provided, that investments, other than in loans to members, shall be made only from funds not needed for loans to members except when the board of directors of any such credit union deems it advisable to invest in other securities for the purpose of maintaining the liquidity of such credit union or maintaining a proper balance in its investment portfolio;

(e) Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, to charge, contract for and receive interest on loans at a rate or rates agreed to by the credit union and the member; and such interest shall not be payable in advance, or compounded, and shall be computed on unpaid balances; provided, that no further or other charge or amount whatsoever for examination, service, brokerage, commission or otherwise shall be directly or indirectly charged, contracted for or received on loans, in addition to the interest herein provided for, except the lawful fees, if any, actually and necessarily paid out on any such transaction to any public officer for filing or recording or releasing in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any

time thereafter, and except on actual sale of the security in foreclosure proceedings or upon entry of judgment; and attorneys' fees not to exceed 20% but with a minimum fee of $10.00, may be added to the principal amount of any loan of any such credit union resolved into judgment or placed in the hands of any attorney for collection after default thereon and such addition to the principal amount shall be collectible in any court of competent jurisdiction in addition to the court costs;

(f) To deposit its funds in national banks, banks, savings and loan associations organized under the laws of the State of New Jersey and Federal savings and loan associations, or savings banks of this State, central funds of credit unions or central credit unions organized under the laws of this State or of the Federal Government;

(g) To have and exercise all the powers of corporations organized under Title 14A of the New Jersey Statutes not inconsistent with this act;

(h) To act as the fiscal agent for the Federal Government, the State of New Jersey, or any of the subdivisions thereof;

(i) To sell to members negotiable checks, drafts, money orders and travelers checks, for a reasonable fee, and to cash checks and money orders for members, for a reasonable fee; but credit unions operating under the provisions of this act are not required to be licensed under the provisions of P. L. 1951, c. 187 (C. 17:15A–1 et seq.) and P. L. 1964, c. 273 (C. 17:15B–1 et seq.);

(j) To purchase land and building for the purpose of providing adequate facilities for the transaction of its business at a cost not to exceed 50% of the amount of its reserves, with the prior approval of the Commissioner of Banking;

(k) The Department of Banking of the State of New Jersey, or whatever agency may in the future be charged with the operation of State chartered credit unions, shall have the power in relation to loans or investments authorized under this act, to promulgate rules and regulations in substantial conformity with similar rules and regulations under the Federal Credit Union Act and under the regulations promulgated by the administrator of the National Credit Union Association.

11. Section 17 of P. L. 1938, c. 293 (C. 17:13–42) is amended to read as follows:

C. 17:13-42 Loans to members; conditions.

17. Loans to members of any such credit union shall be subject to the following conditions:

(a) All member loans shall be evidenced by note. Loans may be made to members for provident or productive purposes and upon such security and terms as the bylaws may provide and the credit committee shall approve at rates of interest not to exceed the rate permitted by subsection (e) of section 2 of P. L. 1938, c. 293 (C. 17:13–27(e)), such rate to include the credit union's total income on a loan. The note may provide for an increase, or may provide for a decrease, or both, in the rate of interest applicable to the loan. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the note provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the note. No rate increase shall take effect during the first 3 years of the term of the loan, or thereafter, (a) unless at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the borrower that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase in the rate. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period.

(b) Applications for loans shall be made on forms prescribed by the credit committee, which shall set forth the purpose for which the loan is desired, the security, if any, offered, and such other data as may be required. Every loan shall be evidenced by a written instrument.

(c) No loan shall be made to any member which causes such member to become indebted to the credit union in an aggregate amount, upon loans made to such member which is in excess of $250.00 or 5% of the credit union's shares and reserves, whichever is greater, and no loan shall be made to any member which would exceed 2½% of the credit union's shares and reserves, or $3,500.00, whichever is less, unless such excess over 2½% or $3,500.00 is

adequately secured. In addition to generally accepted types of security, the endorsement of a note by a comaker or assignment of shares or of wages, in manner consistent with the laws of this State, shall be deemed security within the meaning of this act. The adequacy of all securities shall be within the determination of the credit committee or loan officer subject to the provisions of this act and of the credit union's bylaws.

(d) No loan shall be made to a director, officer or member of the credit committee which exceeds the amount of his shares unless the loan shall have been approved by a majority vote of a joint meeting at which a majority of the members of the credit committee and a majority of the members of the board of directors are present. No director or member of the credit or examining committee may endorse for borrowers from the credit union.

(e) A member may receive a loan in one sum, or in fixed installments and may pay the whole or any part of the loan on any day on which the office of the credit union is open for business.

12. Section 1 of P. L. 1961, c. 95 (C. 17:16C–40.1) is amended to read as follows:

C. 17:16C-40.1 Passenger motor vehicle loans.

1. A sales finance company licensed under the provisions of the "Retail Installment Sales Act" of 1960 (P. L. 1960, c. 40), as amended and supplemented, or any act replacing or succeeding thereto which regulates "retail installment sales," may loan to any one person any sum of money up to a maximum of $10,000.00 secured by a purchase money security interest to finance the purchase of a passenger motor vehicle not intended to be used for the transportation of passengers for hire or upon a contract basis. The principal amount of such loan may be repaid in not more than 48 substantially equal monthly installments. Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, the sales finance company may charge interest at a rate or rates agreed to by the sales finance company and the borower. Such interest shall be computed on the full amount of such loan for the period from the making of the loan to the date of maturity of the final installment, and shall be added to the principal amount of the loan. For the purpose of this act, a purchase money security interest is hereby defined to be a security interest taken by a sales finance company, pursuant to the provisions of chapter 9 of Title 12A of the New Jersey Statutes, in connection with and as security for an advance of money on behalf of a retail buyer of a motor vehicle

of the motor vehicle dealer in payment of the unpaid balance of the cash price.

Effective on the first day of the twelfth month following the effective date of this act, when the unpaid balance owing upon a precomputed loan is repaid in full or the maturity of the unpaid balance of such loan is accelerated before the date scheduled for the payment of the final installment, the association shall allow a credit on account of the precomputed interest, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the loan is prepaid within 12 months after the first payment is due, an association may charge a prepayment penalty of not more than (a) $20.00 on any loan up to and including $2,000.00; (b) an amount equal to 1% of the loan on any loan greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any loan exceeding $5,000.00.

13. Section 41 of P. L. 1960, c. 40 (C. 17:16C–41) is amended to read as follows:

C. 17:16C-41 Time price differential on retail installment contracts.

41. A retail seller and a motor vehicle installment seller, under the provisions of this act, shall have authority to charge, contract for, receive or collect a time price differential as defined in this act, on any retail installment contract evidencing the sale of goods or services in an amount or amounts as agreed to by the retail seller or motor vehicle installment seller and the buyer on motor vehicles and on all other goods or services.

The retail installment contract may provide for an increase, or may provide for a decrease, or both, in the time price differential applicable to the contract. No increase during the entire loan term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period. The lender shall not be obligated to decrease the interest rate more than 6% over the term of the loan, nor more than 3% per annum during any 12-month period. If a rate increase is applied to the loan, the lender shall also be obligated to adopt and implement uniform standards for decreasing the rate. If the contract provides for the possibility of an increase or decrease, or both, in the rate, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the contract. No rate increase shall take effect during the first 3 years of the term of the contract, or thereafter,

(a) unless at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the retail buyer that clearly and conspicuously describes such increase, and (b) unless at least 365 days have elapsed without any increase. No increase during the entire contract term shall result in an interest rate of more than 6% per annum over the rate applicable initially, nor shall the rate be raised more than 3% per annum during any 12-month period.

If the retail installment contract does provide that the time price differential may be increased then, notwithstanding the provisions of section 43 of P. L. 1960, c. 40 (C. 17:16C–43), when the unpaid balance owing upon a contract is paid in full or the maturity of the unpaid balance of such contract is accelerated before the date scheduled for the payment of the final installment, the holder of the contract shall allow a credit on account of the precomputed time price differential calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the contract is prepaid within 12 months after the first payment is due, a holder may charge a prepayment penalty of not more than (a) $20.00 on any contract up to and including $2,000.00; (b) an amount equal to 1% of the loan on any contract greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any contract exceeding $5,000.00. Effective on the first day of the twelfth month following the effective date of this act, if the retail installment contract does provide for a time price differential, then, notwithstanding the provisions of section 43 of P. L. 1960, c. 40 (C. 17:16C–43), when the unpaid balance owing upon a contract is paid in full or the maturity of the unpaid balance of such contract is accelerated before the date scheduled for the payment of the final installment, the holder of the contract shall allow a credit on account of the precomputed time price differential calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the contract is prepaid within 12 months after the first payment is due, a holder may charge a prepayment penalty of not more than (a) $20.00 on any contract up to and including $2,000.00; (b) an amount equal to 1% of the loan on any contract greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any contract exceeding $5,000.00.

The time price differential shall be computed on the amount of the principal balance as determined in section 27(f), from the date of the contract to the due date of the final installment, notwithstanding the fact that the contract is to be repaid in installments.

If the time price differential so computed is less than $12.00, and if the due date of the last installment of the contract is more than 8 months after the date of the contract, a charge of not more than $12.00 may be made in lieu of the time price differential. If the time price differential so computed is less than $10.00, and if the due date of the last installment of the contract is 8 months or less after the date of contract, a charge of not more than $10.00 may be made in lieu of the time price differential.

14. Section 17 of P. L. 1971, c. 409 (C. 17:16C–44.1) is amended to read as follows:

C. 17:16C-44.1 Time price differential or retail charge accounts.

17. (a) Notwithstanding any other law to the contrary, a retail seller, sales finance company, banking institution or other holder may charge, receive and collect a time price differential in each billing period on obligations incurred pursuant to any retail charge account, which shall be determined as specified in the terms of the account, subject to the limitations provided herein. Such time price differential for each monthly billing period shall not exceed the amount resulting from applying the periodic rates provided herein to the greater of the following amounts (including unpaid time price differentials):

(i) The average daily balance of the account for such billing period, or

(ii) The balance of the account at the beginning or end of such billing period.

The periodic rate or rates shall not exceed an amount agreed to by the retail seller, sales finance company, banking institution, or other holder and the retail buyer.

The terms of the retail charge account may provide that the time price differential may be increased or may be decreased or both from time to time; provided, however, that no increase shall be effective unless: (1) at least 90 days prior to the effective date of the first such increase, or 30 days prior to the effective date of any subsequent increase, a written notice has been mailed or delivered to the retail buyer that clearly and conspicuously describes such change and the indebtedness to which it applies and states that the

incurrence by the retail buyer or another person authorized by him of any further indebtedness under the plan to which the agreement relates on or after the effective date of the increase specified in the notice shall constitute acceptance of the increase and (b) either the retail buyer agrees in writing to the increase or the retail buyer or another person authorized by him incurs such further indebtedness on or after the effective date of the increase stated in the notice. The provisions of this paragraph permitting an increase in the time price differential shall not apply in the case of an agreement which expressly prohibits changing of the time price differential or which provides limitations on changing of the time price differential which are more restrictive than the requirements of this paragraph. If the terms of the retail charge account provide for the possibility of an increase or decrease, or both, in the time price differential, that fact shall be clearly described in plain language, in at least 8-point bold face type on the face of the written notice.

Notwithstanding the foregoing limitation, if the terms of the account so provide, the time price differential may be computed on the median amount within a specified range. Such time price differential for each monthly billing period shall not exceed the amount resulting from applying the respective periodic rates specified above to the median amount within the specified range in which the greater of the amounts specified in (i) and (ii) is included; provided, subject to the classifications and differentiations as may reasonably be established by the retail seller, sales finance company, banking institution or other holder, the same time price differential is charged on all balances within the specified range and provided further that the time price differential determined by applying the respective periodic rates specified above to the median amount within the range does not exceed by more than 8% the amount of the time price differential determined by applying the respective periodic rates specified above to the lowest amount in the range.

(b) If the billing period is not monthly, the maximum periodic rate shall be that rate which bears the same relation to the respective periodic rates per month specified above as the number of days in the billing period bears to 30.

(c) Notwithstanding the limitation provided in (a) above, for any monthly billing period in which a time price differential may be charged pursuant to the terms of the account a minimum time price differential of not more than $0.50 may be charged; if the billing period is not monthly, a minimum time price differential may be

charged in such amount which bears the same relation to $0.50 as the number of days in the billing period bears to 30.

15. Section 8 of P. L. 1960, c. 41 (C. 17:16C–69) is amended as follows:

C. 17:16C-69 Home repair contractors.

A home repair contractor may impose and receive a credit service charge in amount or amounts agreed to by the home repair contractor and the owner on the amount owing on the unpaid principal balance of the contract. This section shall not limit or restrict the manner of contracting for the credit service charge, whether by way of add-on, discount or otherwise, so long as the charge does not exceed that permitted by this section. In the case of a precomputed contract, the charge may be computed on the assumption that all scheduled payments will be made when due, and all scheduled installment payments made on a precomputed contract may be applied as if they were received on their scheduled due dates. In the case of nonprecomputed loans, all installment payments shall be applied no later than the next day, other than a public holiday, after the date of receipt, and a day shall be counted as 1/365 of a year.

Effective on the first day of the twelfth month following the effective date of this act, notwithstanding the provisions of section 73 of P. L. 1960, c. 41 (C. 17:16C–73), when the unpaid balance owing upon a contract is paid in full or the maturity of the unpaid balance of such contract is accelerated, before the date scheduled for the payment of the final installment, the holder of the contract shall allow a credit on account of the credit service charge, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the contract is prepaid within 12 months after the first payment is due, a holder may charge a prepayment penalty of not more than (a) $20.00 on any contract up to and including $2,000.00; (b) an amount equal to 1% of the loan on any contract greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any contract exceeding $5,000.00.

16. Section 10 of P. L. 1968, c. 221 (C. 17:16D–10) is amended to read as follows:

C. 17:16D-10 Maximum finance charge.

10. Maximum finance charge. A premium finance company shall not charge, contract for, receive, or collect a finance charge other than as permitted by this act.

The finance charge shall be computed, using the actuarial method on the balance of the premiums due (after subtracting the down payment made by the insured in accordance with the premium finance agreement) from the effective date of the insurance cover**age, for which the premiums are being advanced, to and including the date when the final installment of the premium finance agreement is payable.**

Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, the finance charge shall be computed at a rate or rates agreed to by the premium finance company and the insured plus an additional charge of $12.00 per premium finance agreement which additional charge need not be refunded upon prepayment. However, any insured may prepay his premium finance agreement in full at any time before due date of the final installment and in such event the unearned finance charge shall be refunded.

Effective on the first day of the twelfth month following the effective date of this act, when the unpaid balance of a premium finance agreement is paid in full, or the maturity of the unpaid balance of each agreement is accelerated before the date scheduled for the payment of the final installment, the holder of the agreement shall allow a credit on account of the finance charge, calculated according to the actuarial refund method, as if all payments were made as scheduled, or if deferred, as deferred; provided, however, that if the contract is prepaid within 12 months after the first payment is due, a holder may charge a prepayment penalty of not more than (a) $20.00 on any contract up to and including $2,000.00; (b) an amount equal to 1% of the loan on any contract greater than $2,000.00 and up to and including $5,000.00; and (c) $100.00 on any contract exceeding $5,000.00.

17. R. S. 31:1–1 is amended to read as follows:

Loans secured by first liens on real property.

31:1–1. (a) Except as herein and otherwise provided by law, no person shall, upon contract, take, directly or indirectly for loan of any money, wares, merchandise, goods and chattels, above the value of $6.00 for the forbearance of $100.00 for a year, or when there is a written contract specifying a rate of interest, no person shall take above the value of $16.00 for the forbearance of $100.00 for a year.

(b) Notwithstanding the limitations of subsection (a) of this section, the Commissioner of Banking may by regulations adopted, amended and rescinded from time to time, provide that the value which may be taken for any loan secured by a first lien on real property as described in paragraph (1) of this subsection shall be a value more than $6.00 but not more than the Monthly Index of Long Term United States Government Bond Yields, compiled by the Board of Governors of the Federal Reserve System and as published by said Board of Governors in the monthly Federal Reserve Bulletin, for the second preceding calendar month plus an additional 8% per annum rounded off to the nearest quarter of 1% per annum. Within the limits as provided by this subsection, and if he finds it to be in the best interests of the citizens and economy of this State, the commissioner may establish:

(1) A rate of interest on loans secured by a first lien on real property on which there is erected or to be erected a structure containing one, two, three, four, five or six dwelling units, a portion of which structure may be used for nonresidential purposes. The commissioner may establish different rates for such loans based upon the ratio of the loan to the appraised value of the real property. With respect to loans covered by this subsection, the commissioner may by regulation provide that any mortgage commitment outstanding as of the date of an increase in the rate set by the commissioner shall be extended from that date for a period not to exceed 60 days, provided that such extension shall not apply to any commitment which expires beyond the extension period so established.

If for any reason no such index of long term bonds is compiled or published for any 1 or more months, the commissioner shall determine and publish such an index based upon available statistics.

In the case of a loan secured by a first lien on real property made under the provisions of paragraph (1) of this subsection, beginning in the calendar year following the date of the mortgage loan, and annually thereafter, the mortgagee shall notify the mortgagor of the interest rate ceilings established by the commissioner as of the fifteenth day of the month preceding. Such notification shall be given at the same time as the mortgagee gives notice to the mortgagor for Federal Income Tax purposes of the interest paid on the loan in the preceding calendar year.

(c) When, however, pursuant to any such contract, interest or discount is taken or reserved for a period of less than 1 year, or

when interest is required to be paid at intervals of less than 1 year such interest or discount may be computed on a daily basis, or on a monthly basis, or on a combination of both such bases when the period for which interest or discount is taken or reserved contains 1 or more months and 1 or more days; and, in any such case, a day shall be deemed to be a 1/360 part of a year, and a month shall be deemed to be a 1/12 part of a year, regardless of the number of days contained in such month. Any computation of interest or discount made on any such basis shall constitute a compliance with this section, and any such basis may be applied regardless whether the principal debt is payable in more than or less than 1 year from the time of making the loan.

(d) In making, amending and rescinding regulations pursuant to subsection (b) of this section, the Commissioner of Banking shall consider the general state of the economy, the discount rates prescribed by the Federal Reserve Bank of New York and the Federal Reserve Bank of Philadelphia, the advance rate as prescribed by the Federal Home Loan Bank of New York, the availability of funds for loans, studies and statistics published by the Federal Home Loan Bank Board and other agencies of the United States and of this State, and such other factors and bases for determination as the commissioner may deem pertinent. The rate established by any such regulations shall reasonably reflect prevailing market conditions, regionally and nationally, based upon the studies, statistics and factors considered, and shall remain in force until such time as such regulation is rescinded or such rate is increased or decreased by a subsequent regulation. Any such regulation shall have prospective effect only.

(e) Notwithstanding the provisions of paragraph (a) or (b) of this section, contracts for the following classes or types of loans may provide for any rate of interest which the parties agree upon, and interest at any such rate may be taken, notwithstanding that it exceeds a rate limited by paragraph (a) or (b) of this section:

(1) Loans in the amount of $50,000.00 or more, except loans where the security given is a first lien on real property on which there is erected or to be erected a structure containing one, two, three, four, five or six dwelling units, a portion of which structure may be used for nonresidential purposes. The rate of interest stated in such contract upon the origination of such loans may be taken notwithstanding that payments thereon reduce the amount outstanding to less than $50,000.00;

(2) Loans or advances of credit made by savings and loan associations, banking institutions, or any Department of Housing and Urban Affairs or Federal Housing Administration approved mortgages which are subsequently purchased, in whole or in part, by the Federal Housing Administration, Veterans Administration, Farmers Home Administration, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and any successor thereof or by any organization authorized by the Emergency Home Finance Act of 1970 to purchase such loans or by any State or Federal governmental or quasi-governmental organizations.

If such loan is not purchased within 395 days from the date the loan instruments are executed, the maximum rate of interest which may be charged on such loan shall not be in excess of that authorized by the commissioner under the provisions of this section and such rate of interest, if in excess of that rate, shall be reduced to the rate in effect at the date of the execution of the loan instruments. No such reduction shall change the maturity date of the loan without the written consent of the borrower nor shall such reduction affect the lien of the mortgage which secures the loan.

(f) Any provision in a mortgage commitment contracted prior to the effective date of this act providing for an increase in interest rates to be charged based on the highest lawful interest rate shall be null and void.

(g) Notwithstanding any other provisions of this section, if the applicable rate prescribed in this subsection exceeds the rate a person would be permitted to charge in the absence of this subsection, the rate of interest which may be taken on a loan for a business or agricultural purpose in the amount of $1,000.00 or more may not exceed 5% in excess of the discount rate, including any surcharge thereon, or any 90-day commercial paper in effect at the Federal Reserve Bank of New York on the day when such loan is made.

C. 17:1-9.1 Monitoring interest rates; report; considerations.

18. The Commissioner of Banking shall monitor the interest rates being charged on the loans affected by P. L. 1981, c. 103, and shall report to the Legislature no later than 9 months after the enactment of this act, and annually thereafter whether or not the elimination of statutory interest rate ceilings as provided herein shall continue or whether or not, with respect to individual types of loans affected by P. L. 1981, c. 103, interest rate ceilings shall be reimposed.

In making his recommendation, the commissioner shall consider whether: a. a substantial degree of competition exists among lenders with respect to the making of the loans; b. the interest rates being charged on the loans reasonably reflect market conditions; and c. the elimination of the interest rate ceilings has served to increase the availability of consumer loans in this State.

19. P. L. 1968, c. 54 (C. 46:10B–1 et seq.) is supplemented to read as follows:

C. 46:10B-11.1 Discount points.

Discount points paid by the buyer or seller in connection with a mortgage loan on a one-to-six family dwelling, occupied or to be occupied by the owner shall be deemed to be interest charged on the loan. For the purposes of this section, "discount point" shall mean an amount of money equal to 1% of the principal amount of the loan and payable at closing.

20. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 104

AN ACT concerning the definition of criminal usury and amending N. J. S. 2C:21–19.

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

1. N. J. S. 2C:21–19 is amended to read as follows:

Wrongful credit practices and related offenses.

2C:21–19. Wrongful credit practices and related offenses.

a. Criminal usury. A person is guilty of criminal usury when not being authorized or permitted by law to do so, he:

(1) Loans or agrees to loan, directly or indirectly, any money or other property at a rate exceeding the maximum rate permitted by law; or

(2) Takes, agrees to take, or receives any money or other property as interest on the loan or on the forbearance of any money or other interest in excess of the maximum rate permitted by law.

For the purposes of this section and notwithstanding any law of this State which permits as a maximum interest rate a rate or rates agreed to by the parties to the transaction, any loan or forbearance with an interest rate which exceeds 30% per annum shall not be a rate authorized or permitted by law, except if the loan or forbearance is made to a corporation any rate not in excess of 50% per annum shall be a rate authorized or permitted by law.

Criminal usury is a crime of the second degree if the rate of interest on any loan made to any person exceeds 50% per annum or the equivalent rate for a longer or shorter period. It is a crime of the third degree if the interest rate on any loan made to any person except a corporation does not exceed 50% per annum but the amount of the loan or forbearance exceeds $1,000.00. Otherwise making a loan to any person in violation of subsection a. (1) and a. (2) this section is a disorderly persons offense.

b. Business of criminal usury. Any person who knowingly engages in the business of making loans or forbearances in violation of subsection a. is guilty of a crime of the second degree and, notwithstanding the provisions of section 2C:43-3, shall be subject to a fine of not more than $250,000.00 and any other appropriate disposition authorized by section 2C:43-2b.

c. Possession of usurious loan records. A person is guilty of a crime of the third degree when, with knowledge of the nature thereof, he possesses any writing, paper instrument or article used to record criminally usurious transactions prohibited by subsection a.

d. Unlawful collection practices. A person is guilty of a disorderly persons offense when, with purpose to enforce a claim or judgment for money or property, he sends, mails or delivers to another person a notice, document or other instrument which has no judicial or official sanction and which in its format or appearance simulates a summons, complaint, court order or process or an insignia, seal or printed form of a Federal, State or local government or an instrumentality thereof, or is otherwise calculated to induce a belief that such notice, document or instrument has a judicial or official sanction.

e. Making a false statement of credit terms. A person is guilty of a disorderly persons offense when he understates or fails to state

the interest rate, or fails to make or makes a false or inaccurate or incomplete statement of any other credit terms.

f. Debt adjusters. Any person who shall act or offer to act as a debt adjuster shall be guilty of a crime of the fourth degree.

"Debt adjuster" means a person who acts or offers to act for a consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or otherwise altering the terms of payment of any debts of the debtor and, to that end, receives money or other property from the debtor, or on behalf of the debtor, for payment to, or distribution among, the creditors of the debtor. "Debtor" means an individual or two or more individuals who are jointly and severally, or jointly or severally indebted.

The following persons shall not be deemed debt adjusters for the purposes of this section: an attorney at law of this State; a nonprofit social service or consumer credit counseling agency; a person who is a regular, full-time employee of a debtor, and who acts as an adjuster of his employer's debts; a person acting pursuant to any order or judgment of court, or pursuant to authority conferred by any law of this State or of the United States; a person who is a creditor of the debtor, or an agent of one or more creditors of the debtor, and whose services in adjusting the debtor's debts are rendered without cost to the debtor; or a person who, at the request of a debtor, arranges for or makes a loan to the debtor, and who, at the authorization of the debtor, acts as an adjuster of the debtor's debts in the disbursement of the proceeds of the loan, without compensation for the services rendered in adjusting such debts.

2. This act shall take effect immediately.

Approved March 31, 1981.

CHAPTER 105

AN ACT concerning police reports of motor vehicle accidents and amending R. S. 39:4–131.

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

1. R. S. 39:4–131 is amended to read as follows:

Accident reports; forms; fee for copies of reports.

39:4–131. The division shall prepare and supply to police departments and other suitable agencies, forms for accident reports calling for sufficiently detailed information with reference to a motor vehicle accident, including the cause, the conditions then existing, the persons and vehicles involved and such information as the director may require.

Every law enforcement officer who investigates a vehicle accident of which report must be made as required in this Title, or who otherwise prepares a written report as a result of an accident or thereafter by interviewing the participants or witnesses, shall forward a written report of such accident to the division, on forms furnished by it, within 5 days after his investigation of the accident.

Such written reports required to be forwarded by law enforcement officers and the information contained therein shall not be privileged or held confidential. Every citizen of this State shall have the right, during regular business hours and under supervision, to inspect and copy such reports and shall also have the right in person to purchase copies of the reports at the same fee established by section 2 of P. L. 1963, c. 73 (C. 47:1A–2). If copies of reports are requested other than in person, an additional fee of up to $5.00 for the first three pages and $1.00 per page thereafter may be added to cover the administrative costs of the report.

The provisions of any other law or regulation to the contrary notwithstanding, reports obtained pursuant to this act shall not be subject to confidentiality requirements except as provided by section 28 of P. L. 1960, c. 52 (C. 2A:84A–28).

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 106

AN ACT to amend "An act concerning grounds for evicting tenants and lessees of certain residential property in certain municipalities," approved November 3, 1978 (P. L. 1978, c. 139; C. 2A:18–61.13 et seq.).

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

1. Section 10 of P. L. 1978, c. 139 is amended to read as follows:

10. This act shall take effect immediately, be retroactive to September 1, 1978 and shall expire on the earlier of the following dates: (a) 6 years from the day this act takes effect; or, (b) 30 days after the Commissioner of the Department of Community Affairs declares that a special housing state of emergency no longer exists in municipalities in which casino gaming is authorized. The obligations and responsibilities created in this act shall remain in full force and effect, however, with respect to any premises for which a 1 year notice of permanent retirement was served prior to the expiration date of this act.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 107

AN ACT concerning the role of the New Jersey Public Broadcasting Authority in the promotion of full discussion of public issues by gubernatorial candidates and amending P. L. 1974, c. 26.

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

1. Section 14 of P. L. 1974, c. 26 (C. 19:44A–39) is amended to read as follows:

C. 19:44A-39 Promotion of public issues.

14. The New Jersey Public Broadcasting Authority established under P. L. 1968, c. 405 (C. 48:23–1 et seq.) shall promote full discussions of public issues by the candidates for nomination for election or election to the office of Governor on the ballot in any primary or general election, in accordance with Federal law and free of charge to the candidate. The authority may promulgate such rules and regulations as may be necessary to effectuate the purpose of this section.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 108

AN ACT concerning the possession of certain weapons under certain circumstances and amending N. J. S. 2C:39–6.

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

1. N. J. S. 2C:39–6 is amended to read as follows:

Exemptions.

2C:39–6. Exemptions. a. Section 2C:39–5 does not apply to:

(1) Members of the Armed Forces of the United States or of the National Guard while actually on duty, or while traveling between places of duty and carrying authorized weapons in the manner prescribed by the appropriate military authorities;

(2) Federal law enforcement officers, and any other Federal officers and employees required to carry firearms in the performance of their official duties;

(3) Members of the State Police, a motor vehicle inspector;

(4) A sheriff, undersheriff, sheriff's officer, county prosecutor, assistant prosecutor, prosecutor's detective or investigator, deputy attorney general or State Investigator employed by the Division of Criminal Justice of the Department of Law and Public Safety, investigator employed by the State Commission of Investigation, inspectors and investigators of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety, State park ranger or State conservation officer;

(5) A prison or jail warden or his deputies, a correction officer or keeper of any penal institution in this State or an employee of the Department of Corrections engaged in the interstate transportation of convicted offenders, while in the performance of his duties, and when required to possess such a weapon by his superior officer;

(6) A civilian employee of the United States Government under the supervision of the commanding officer of any post, camp, station, base or other military or naval installation located in this State who is required, in the performance of his official duties, to carry firearms, and who is authorized to carry such firearms by said commanding officer, while in the actual performance of his official duties; or

(7) A regularly employed member, including a detective, of the police department of any county or municipality, or of any State, interstate, municipal or county park police force or boulevard police force, at all times while in the State of New Jersey, or a special policeman or airport security officer appointed by the governing body of any county or municipality or by the commission, board or other body having control of a county park or airport or boulevard police force, while engaged in the actual performance of his official duties and when specifically authorized by the governing body to carry weapons.

b. Subsections a., b. and c. of section 2C:39–5 do not apply to:

(1) A law enforcement officer employed by a governmental agency outside of the State of New Jersey while actually engaged in his official duties, provided, however, that he has first notified the superintendent or the chief law enforcement officer of the municipality or the prosecutor of the county in which he is engaged; or

(2) A licensed dealer in firearms and his registered employees during the course of their normal business while traveling to and from their place of business and other places for the purpose of demonstration, exhibition or delivery in connection with a sale, provided, however, that any such weapon is carried in the manner specified in subsection g. of this section.

c. Subsections b. and c. of section 2C:39–5 do not apply to:

(1) A special agent of the Division of Taxation who has passed an examination in an approved police training program testing proficiency in the handling of any firearm which he may be required to carry or a railway policeman, while in the actual performance of his official duties and while going to or from his place of duty, a campus police officer appointed pursuant to P. L. 1970, c. 211 (C. 18A:6–4.2 et seq.) or any other police officer, while in the actual performance of his official duties;

(2) A State deputy conservation officer or a full-time employee of the Division of Parks and Forestry having the power of arrest and authorized to carry weapons, while in the actual performance of his official duties;

(3) A full-time member of the marine patrol force or a special marine patrolman authorized to carry such a weapon by the Commissioner of Environmental Protection, while in the actual performance of his official duties;

(4) A court attendant serving as such under appointment by the sheriff of the county or by the judge or magistrate of any court of this State, while in the actual performance of his official duties;

(5) A guard in the employ of any railway express company, banking or building and loan or savings and loan institution of this State, while in the actual performance of his official duties;

(6) A member of a legally recognized military organization while actually under orders or while going to or from the prescribed place of meeting and carrying the weapons prescribed for drill, exercise or parade;

(7) An officer of the Society for the Prevention of Cruelty to Animals, while in the actual performance of his duties; or

(8) An employee of a public utilities corporation actually engaged in the transportation of explosives.

d. Subsections c. and d. of section 2C:39–5 do not apply to antique firearms, provided that such antique firearms are unloaded or are being fired for the purposes of exhibition or demonstration at an authorized target range or in such other manner as has been approved in writing by the chief law enforcement officer of the municipality in which the exhibition or demonstration is held.

e. Nothing in subsections b., c. and d. of section 2C:39–5 shall be construed to prevent a person keeping or carrying about his place of business, residence, premises or other land owned or possessed by him, any firearm, or from carrying the same, in the manner specified in subsection g. of this section, from any place of purchase to his residence or place of business, between his dwelling and his place of business, between one place of business or residence and another when moving, or between his dwelling or place of business and place where such firearms are repaired, for the purpose of repair. For the purposes of this section, a place of business shall be deemed to be a fixed location.

f. Nothing in subsections b., c. and d. of section 2C:39–5 shall be construed to prevent:

(1) A member of any rifle or pistol club organized in accordance with the rules prescribed by the National Board for the Promotion of Rifle Practice, in going to or from a place of target practice, carrying such firearms as are necessary for said target practice, provided that the club has filed a copy of its charter with the superintendent and annually submits a list of its members to the superintendent, and provided further that the firearms are carried in the manner specified in subsection g. of this section;

(2) A person carrying a firearm or knife in the woods or fields or upon the waters of this State for the purpose of hunting, target practice or fishing, provided that the firearm or knife is legal and appropriate for hunting or fishing purposes in this State and he has in his possession a valid hunting license, or, with respect to fresh water fishing, a valid fishing license;

(3) A person transporting any firearm or knife while traveling:

(a) Directly to or from any place for the purpose of hunting or fishing, provided such person has in his possession a valid hunting or fishing license; or

(b) Directly to or from any target range, or other authorized place for the purpose of practice, match, target, trap or skeet shooting exhibitions, provided in all cases that during the course of such travel all firearms are carried in the manner specified in subsection g. of this section and the person has complied with all the provisions and requirements of Title 23 of the Revised Statutes and any amendments thereto and all rules and regulations promulgated thereunder;

(c) In the case of a firearm, directly to or from any exhibition or display of firearms which is sponsored by any law enforcement agency, any rifle or pistol club, or any firearms collectors club, for the purpose of displaying of the firearms to the public or to the members of such organization or club, provided, however, that not less than 30 days prior to such exhibition or display, notice of such exhibition or display shall be given to the Superintendent of the State Police by the sponsoring organization or club, and the sponsor has complied with such reasonable safety regulations or the superintendent may promulgate. Any firearms transported pursuant to this section must be transported in the manner specified in paragraph g. of this section.

g. All weapons being transported under subsections b. (2), e. or f. (1) or (3) of this section shall be carried unloaded and contained in a closed and fastened case, gunbox, securely tied package, or locked in the trunk of the automobile in which it is being transported, and the course of travel shall include only such deviations as are reasonably necessary under the circumstances.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 109

AN ACT to amend the "New Jersey Mortgage Assistance Bond Act of 1976," approved September 21, 1976 (P. L. 1976, c. 94), to authorize the issuing officials thereunder to make certain covenants on behalf of the State in connection with future sales of bonds pursuant to the act.

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

1. Section 9 of P. L. 1976, c. 94 is amended to read as follows:

9. The Governor, State Treasurer and Comptroller of the Treasury, or any two such officials (hereinafter referred to as the "issuing officials") are hereby authorized to carry out the provisions of this act relating to the issuance of said bonds, and shall determine all matters in connection therewith subject to provisions hereof. In case any of said officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by such person as shall be authorized by law to act in his place as a State official. The issuing officials are empowered on behalf of the State to covenant from time to time with the holders of the bonds that the proceeds of one or more issues of the bonds will not be devoted to one or more uses which are otherwise permitted by this act. Any covenant shall be set forth in the text of the bonds of any issue to which the covenant is applicable.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 110

AN ACT concerning the Criminal Disposition Commission and amending N. J. S. 2C:48–4.

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

1. N. J. S. 2C:48–4 is amended to read as follows:

Annual report.

2C:48–4. The commission shall file annually with the Governor and the Legislature a report containing its findings and recommendations concerning the disposition of criminal offenders.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 111

AN ACT concerning the "Local Bond Law" and amending N. J. S. 40A:2–27.

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

1. N. J. S. 40A:2–27 is amended to read as follows:

Sale of bonds.

All bonds shall be sold at public sale upon sealed proposals, except that bonds may be sold at private sale:

a. Without any previous public offering

(1) if constituting all or part of an authorized issue of $100,000.00 or less, or

(2) if sold to any board, body, agency, commission, instrumentality, district, authority or political subdivision of any local unit, or of the State, or of the Federal Government; or

b. If no legally acceptable bid is received at advertised public offering, such bonds or any of them may be sold within 30 days after the advertised date for public bidding, provided, however, that no bonds shall bear interest at any rate of interest which is higher than the rate or maximum rate specified in the notice of sale, nor contain substantially different provisions from those specified in said notice.

Any purchaser of bonds at private sale, other than a public body, shall deposit a certified or cashier's or treasurer's check drawn upon a bank or trust company in an amount equal to 5% of the amount of bonds purchased and such amount shall be applied as in the case of a deposit made at public sale.

Any private sale of bonds shall be made or confirmed by resolution of the governing body adopted by not less than a ⅔ vote of the full membership thereof, setting forth the date, maturities, interest rate and price of the bonds and the name of the purchaser.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 112

AN ACT concerning forfeited weapons and supplementing chapter 64 of Title 2C of the New Jersey Statutes.

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

C. 2C:64-9 Donation of forfeited military weapons.

1. Any weapon with present or historical military value that has been forfeited pursuant to the provisions of chapter 64 of Title 2C of the New Jersey Statutes may be donated to the National Guard Militia Museum of New Jersey at Sea Girt by the law enforcement agency retaining it.

2. This act shall take effect immediately.

Approved April 2, 1981.

CHAPTER 113

AN ACT appropriating funds from the Clean Waters Fund for the purposes of researching, planning, developing, constructing and maintaining water supply facilities and programs; and providing for procedures and regulations relating to the expenditure of such funds.

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

1. There is appropriated to the Department of Environmental Protection, from the Clean Waters Fund created pursuant to the "Clean Waters Bond Act of 1976" (P. L. 1976, c. 92), the sum

of $1,520,000.00 for the purpose of providing a loan to the following municipality in the amount of up to 25% of the cost of rehabilitating its potable water supply system:

City of Perth Amboy $1,520,000.00

2. The loan shall be subject to such terms and conditions as shall be prescribed by the Commissioner of the Department of Environmental Protection to carry out the purpose of this act, provided that the entire loan shall be repaid within 20 years from the date of the making of the loan. The loan shall be repaid at a rate of 6% simple interest per annum thereon.

3. The appropriation made pursuant to this act is subject to the provisions of P. L. 1976, c. 92 and P. L. 1977, c. 119.

4. This act shall take effect immediately.

Approved April 8, 1981.

CHAPTER 114

AN ACT authorizing and directing the utilization of funds, heretofore appropriated from the Water Conservation Fund, for the purposes of researching, planning, acquiring, developing, constructing and maintaining, wastewater treatment and water quality plans, facilities and programs; and providing for procedures and regulations relating to the expenditure of these funds.

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

1. The Department of Environmental Protection is authorized and directed to utilize, from the amounts received as repayments of loans made to local government units from the Water Conservation Fund created pursuant to the "Water Conservation Bond Act," P. L. 1969, c. 127, and thereafter appropriated pursuant to section 5 of P. L. 1975, c. 158, the sum of $1,550,000.00 for the administrative costs incident to the continuation of the program to provide State and Federal grants for the construction of approved local sewerage projects and the sum of $15,975,275.00 for the purpose of providing grants to the following authorities and

municipalities in the amount of 8% of approved local sewerage project costs which qualify for Federal assistance, pursuant to the provisions of sections 11 through 20 of P. L. 1979, c. 321 (C. 58:25-1 et seq.).

Federal I.D. No.	Municipality or Authority	Amount of State Grant
620-02	Barnegat Township	$236,500
687-02	Bergen County Utilities Authority	5,468
638-01	Bridgewater Township	29,656
712-01	Burlington Township	37,524
687-01	Camden City	63,186
678-01	Camden County Municipal Utilities Authority	249,950
708-01	Camden County Municipal Utilities Authority	71,135
387-04	Cape May County Municipal Utilities Authority	1,557,490
387-05	Cape May County Municipal Utilities Authority	1,059,201
598-01	Cape May Point Borough	3,584
427-01	East Hanover Township	777,652
536-02	East Windsor Municipal Utilities Authority	46,312
443-01	Edgewater Borough	37,524
391-03	Ewing-Lawrence Sewerage Authority	520,734
391-04	Ewing-Lawrence Sewerage Authority	991,496
703-01	Florham Park Sewerage Authority	22,576
562-03	Galloway Township Municipal Utilities Authority	416,597
383-04	Hamilton Township	534,400
527-02	Lambertville Sewerage Authority	22,236
682-03	Linden-Roselle Sewerage Authority	308,792
650-01	Manchester Township	7,030
680-02	Middlesex County Sewerage Authority	83,526
710-01	Moorestown Township	36,067
464-01	Northwest Bergen County Sewerage Authority	816,306
700-01	Northwest Bergen County Sewerage Authority	42,400
714-01	Ocean County Utilities Authority	48,000
542-03	Ocean Gate Borough	195,234
683-03	Passaic Valley Sewerage Commissioners	757,680
459-01	Pequannock River Sewerage Authority	1,884

Federal I.D. No.	Municipality or Authority	Amount of State Grant
547–01	Rahway Valley Sewerage Authority	$58,991
478–02	Rockaway Township	15,548
381–01	Roxbury Township	17,139
549–01	South Toms River Sewerage Authority	265,937
585–02	Stafford Municipal Utilities Authority	26,361
573–01	Sussex County Municipal Utilities Authority	12,033
416–04	Trenton City	1,833,938
416–05	Trenton City	118,300
416–06	Trenton City	665,187
611–01	Middletown Township Sewerage Authority	31,461
681–03	Rahway Valley Sewerage Authority	333,249
480–01	Pequannock Township	17,142
738–01	Wyckoff Township	12,516
393–05	Wayne Township	3,472
483–01	Ringwood Borough Sewerage Authority	79,682
470–01	North Plainfield Borough	153,843
386–06	Bergen County Utilities Authority	28,612
640–01	Camden County Municipal Utilities Authority	122,226
577–03	Readington Township	7,782
509–01	Lebanon Borough	63,360
577–01	Readington Township	24,800
515–02	Hamburg Borough	172,208
535–01	Readington-Lebanon Sewerage Authority	33,993
511–02	Franklin Borough	22,797
685–03	Middletown Township Sewerage Authority	358,878
775–01	Western Monmouth Utilities Authority	12,631
406–03	Sussex County Municipal Utilities Authority	1,253,038
785–01	Livingston Township	4,160
761–01	Roosevelt Borough	4,748
389–02	Rockaway Valley Regional Sewerage Authority	187,318
505–01	Pine Beach Borough	3,566
660–01	Cape May County Municipal Utilities Authority	56,436
704–02	Stony Brook Regional Sewerage Authorities	39,092
708–02	Camden County Municipal Utilities Authority	954,691
	Total	$15,975,275

2. In order to provide flexibility in administering this act and all prior acts or directing the utilization of moneys from the Water Conservation Fund, the Commissioner of Environmental Protection may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item in the appropriation or directive. Upon approval of the application by the director and by the Executive Director of the Office of Legislative Services, in writing, the director shall make the transfer.

3. The funds directed to be utilized pursuant to this act shall be subject to the provisions of P. L. 1969, c. 127, P. L. 1976, c. 92 and P. L. 1977, c. 119.

4. This act shall take effect immediately.

Approved April 8, 1981.

CHAPTER 115

AN ACT changing the name of the State Board of Institutional Trustees to the State Board of Human Services and amending R. S. 30:1–1 and R. S. 30:1–2 and P. L. 1971, c. 384.

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

1. R. S. 30:1–1 is amended to read as follows:

Definitions.

30:1–1. As used in this Title:

"Commissioner" means the Commissioner of Human Services.
"Department" means the State Department of Human Services.
"State board" means the State Board of Human Services.

2. R. S. 30:1–2 is amended to read as follows:

Continuation of department; organizational structure.

30:1–2. The Department of Human Services created as the Department of Institutions and Agencies by an act entitled "An act concerning the charitable, hospital, relief, training, correctional, reformatory and penal institutions, boards and commissions located and conducted in this State, which are supported in whole or in

part from county, municipal or State funds,'' approved February 28, 1918 (L. 1918, c. 147, p. 343, as amended by L. 1919, c. 97, p. 222), and continued and reorganized by P. L. 1976, c. 98, is continued and is hereby constituted a principal department in the Executive Branch of the State Government. Such department shall consist of the Commissioner of Human Services, who shall be the head of the department and its principal executive officer, and the State Board of Human Services, with such divisions, bureaus, branches, committees, officers and employees specifically referred to in said act, or as may be constituted or employed by virtue of this Title.

3. Section 20 of P. L. 1971, c. 384 (C. 30:1–2.2) is amended to read as follows:

C. 30:1-2.2 Continuation of board of institutional trustees as board of human services.

20. The State Board of Control of Institutions and Agencies established pursuant to R. S. 30:1–2, continued as the State Board of Institutional Trustees is further continued as the State Board of Human Services. The members of the board in office on the effective date of this act shall continue in office for the duration of the terms for which they were respectively appointed and until the appointment of their successors.

There is hereby created in the Department of Human Services a State Board of Human Services. The State board shall be composed of 12 members, residents of this State, including the Governor or officer administering the State Government, the Commissioner of the Department, and the Commissioner of Health who shall be ex officio members of the State board during their respective terms of office. The members of the State board shall be appointed by the Governor, without regard to political affiliation, subject to confirmation by the Senate, and shall be subject to removal by the Governor at any time for good and sufficient cause.

The members appointed by the Governor pursuant to this act shall be appointed for terms of 4 years. All appointed members shall serve after the expiration of their terms until their respective successors are appointed and shall qualify. Vacancies shall be filled for the unexpired term.

Members of the State board shall receive no compensation for services, but shall be reimbursed for actual expenditures incurred in the performance of their duties.

On and after July 1 of each year the State board shall reorganize by the election from among its appointed members of a chairman and vice chairman. The board may appoint a secretary, with the approval of the commissioner, who shall be an employee of the department and shall serve at the pleasure of the board without additional compensation. The term of office of the chairman and vice chairman shall be until June 30 of the following year or until their successors are elected and qualified.

4. Section 21 of P. L. 1971, c. 384 (C. 30:1–2.3) is amended to read as follows:

C. 30:1-2.3 Powers and duties of board.

21. It shall be the duty of the State Board of Human Services to advance long-range planning and policy for the system of State institutions of medical care, State charitable and relief institutions, training institutions and noninstitutional agencies of the State; establish general policy for the governance of the separate institutions; coordinate the activities of the individual institutions; and maintain general oversight of the State system of institutions. The board shall not administer the department or its individual institutions.

The board shall have power to:

a. Conduct research on institutional needs;

b. Develop with the commissioner and his staff and jointly promulgate and maintain a comprehensive master plan which shall be long-range in nature and be regularly revised and updated, including priorities for the construction of new institutions and the development of new programs;

c. Recommend and advise the commissioner on the establishment of new institutions as required by the master plan, provided that provision is made therefor in the annual or a supplemental or special appropriation act of the Legislature or otherwise;

d. Review and comment upon budget requests from the institutions;

e. Encourage harmonious and cooperative relationships between public and private institutions;

f. Review periodically existing programs of care, training, rehabilitation, research, and public service in the public institutions of this State and other states and as to new developments in the various fields of the department's responsibility and advise such institutions and the commissioner of desirable change;

g. Consult with and make to the commissioner such recommendations as it deems necessary with regard to services, land, buildings, and equipment to be furnished by the department and its institutions;

h. Exercise visitorial supervision over such institutions under the supervision or control of the department; its visitorial general powers of supervision are hereby defined as visiting such institutions to examine into their manner of conducting their affairs and to advise the commissioner on the observance and enforcement of the laws of the State;

i. Review and make recommendations with respect to budget requests to be submitted by the commissioner;

j. Authorize such studies and require such reports from the commissioner as it may deem necessary from time to time; and

k. Make an annual report to the commissioner and the Governor and such other reports as it may deem proper from time to time or as may be requested by the commissioner.

5. This act shall take effect immediately.

Approved April 8, 1981.

CHAPTER 116

AN ACT appropriating funds from the Clean Waters Fund for the purposes of researching, planning, acquiring, developing, constructing and maintaining water supply, wastewater treatment and water quality plans, facilities and programs and providing for procedures relating to the expenditure of these funds.

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

1. There is appropriated to the Department of Environmental Protection from the "Clean Waters Fund" created pursuant to the "Clean Waters Bond Act of 1976," P. L. 1976, c. 92, the sum of $6,310,000.00 for the following water quality planning and water

supply construction and rehabilitation projects:

Area water quality planning	$720,000.00
Delaware and Raritan Canal rehabilitation and improvement	$2,910,000.00
Manasquan River Reservoir engineering and design	$2,680,000.00
	$6,310,000.00

2. There is appropriated to the Department of Environmental Protection, from the amounts received or to be received as repayment of a loan made from the "Clean Waters Fund" pursuant to the provisions of P. L. 1979, c. 232, the sum of $800,000.00 for area water quality planning.

3. In order to provide flexibility in administering this act and all prior acts appropriating moneys from the Clean Waters Fund, the Commissioner of the Department of Environmental Protection may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item in such appropriations. Upon approval of the application by the director and by the Legislative Budget Officer, in writing, the director shall make the transfer.

4. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P. L. 1976, c. 92 and P. L. 1977, c. 119.

5. This act shall take effect immediately.

Approved April 8, 1981.

CHAPTER 117

AN ACT appropriating funds from the Emergency Flood Control Fund for the purpose of providing State grants to local units for the acquisition, development, construction and maintenance of flood control facilities.

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

1. There is appropriated to the Department of Environmental Protection from the "Emergency Flood Control Fund" created

pursuant to the "Emergency Flood Control Bond Act," P. L. 1978, c. 78, the sum of $6,347,704.00 for the purpose of providing State grants to local units for the acquisition, development, construction and maintenance of flood control facilities and for State administrative costs. The terms and conditions of these grants shall be specified by rule or regulation pursuant to section 5 of P. L. 1978, c. 78, but no such grant shall be for more than 50% of the cost of any project.

2. The expenditure of the sums appropriated by this act is subject to the provisions of P. L. 1978, c. 78 and P. L. 1979, c. 196.

3. This act shall take effect immediately.

Approved April 9, 1981.

CHAPTER 118

AN ACT concerning New Jersey bred races, awards, and the distribution of parimutuel pools; amending and supplementing P. L. 1940, c. 17; and amending P. L. 1967, c. 40.

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

1. Section 29 of P. L. 1940, c. 17 (C. 5:5–49) is amended to read as follows:

C. 5:5-49 Program to run races involving State bred foals.

29. Every running race permitholder shall program to run at least one race per day which shall be limited to registered New Jersey bred foals. These races shall provide opportunities for all classes of horses to participate and shall carry a purse 25% higher than corresponding open races. If in the opinion of the commission sufficient competition cannot be had among such class of horses, said race may be eliminated for said day and a substitute race provided instead.

2. Section 46 of P. L. 1940, c. 17 (C. 5:5–66) is amended to read as follows:

C. 5:5-66 Disposition of deposits remaining undistributed.

46. Every permitholder engaged in the business of conducting horse race meetings under this act, except the New Jersey Sports and Exposition Authority established pursuant to P. L. 1971, c. 137

(C. 5:10–1 et seq.), shall make disposition of the deposits remaining undistributed pursuant to section 44 as follows:

a. In the case of harness races:

(1) Pay to the commission 3.30% of so much of the total contributions to all parimutuel pools conducted or made during such calendar year on any and every horse race track granted a permit under this act. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall pay to the commission 4.30% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall pay to the commission 7.30% of the total contributions.

Payment on account of such sums to be paid to the commission shall be made every seventh day of any and every race meeting in the amount then due as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require. Except as otherwise provided by law, no admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from any permitholder 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.

(2) Hold and set aside in an account designated as a special trust account 1.15% of such total contributions in all pools to be used and distributed as hereinafter provided and as provided in section 5 of P. L. 1967, c. 40, for the following purposes and no other:

(a) 37% thereof to increase purses and grant awards for starting horses as provided or as may be provided by rules of the New Jersey Racing Commission with payment to be made in the same manner as payment of other purses and awards;

(b) 55% thereof for the establishment of a Sire Stakes Program for standardbred horses with payment to be made to the Department of Agriculture for administration as hereinbefore provided;

(c) 5% thereof for contributions and awards designed to improve and promote the standardbred breeding industry in New Jersey through payment of awards to owners and breeders of New Jersey bred horses which are registered with the Standardbred Breeders' and Owners' Association of New Jersey and which earn portions of purses in open events on New Jersey tracks, and to

owners of stallions posted on the official stallions roster of the Standardbred Breeders' and Owners' Association of New Jersey which sire such registered New Jersey bred money earners;

(d) 3% thereof for other New Jersey horse breeding and promotion conducted by the New Jersey Department of Agriculture.

(3) Retain 6% of so much of such total contributions for his own uses and purposes. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall retain 6.5% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 8% of the total contributions. Each permitholder shall contribute out of its 8% share of pools, where the patron is required to select three or more horses, a sum deemed necessary by the Racing Commission, to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of said commission.

(4) Distribute as purse money and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey 6.55% of such total contributions. Expenditures for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 3.2% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the Standardbred Breeders' and Owners' Association of New Jersey and the tracks. Notwithstanding the foregoing, for pools where the patron is required to select two or more horses, the permitholder shall distribute as purse money 7.05% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 8.55% of the total contributions. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, each permitholder shall retain out of the 8.55% to be distributed as purse money, a sum deemed necessary by the racing commission, for use by the commission to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of said commission.

b. In the case of running races:

(1) Where the amount derived from the parimutuel handle does not exceed $1 million per day based on such contributions accumulated and averaged during the calendar year, the permitholder shall:

(a) Pay to the commission 30% of 1% of so much of the total contributions to all parimutuel pools conducted or made during such calendar year; but notwithstanding the foregoing, for pools where the patron is required to select three or more horses, the permitholder shall pay to the commission 1.30% of the total contributions.

Payment on account of such sums to be paid to the commission shall be made every seventh day of any and every race meeting in the amount then due as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require. Except as otherwise provided by law, no admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from any permitholder 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.

(b) Hold and set aside in an account designated as a special trust account 23% of 1% of such total contributions to be used and distributed as hereinafter provided and as provided in section 5 of P. L. 1967, c. 40, for the following purposes and no other:

(i) 18% of 1% thereof for contributions and awards designed to improve and promote the thoroughbred breeding industry in New Jersey through payments of awards to owners and breeders of registered New Jersey bred horses which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such registered New Jersey bred money winners;

(ii) 5% of 1% thereof for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration.

(c) Retain 8.57% of such total contributions for his own uses and purposes. For pools where the patron is required to select two horses, the permitholder shall retain 9.66% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 12.12% of the total contributions.

(d) Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association 7.16% of such contributions. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall distribute as purse money 8.07% of such contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 10.11% of the total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association shall not exceed 2.5% of the sum available for distribution as purse money from all parimutuel pools. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Horsemen's Benevolent and Protective Association and the permitholder.

(e) (i) 50% of 1% of all pools shall be deducted and set aside in a special trust account for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey; to improve purses for closed races; to provide awards for owners and breeders of registered New Jersey bred horses who earn portions of purses in closed races at New Jersey race tracks and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such New Jersey bred money earners and awards to the New Jersey Thoroughbred Breeders' Association for programs beneficial to thoroughbred breeding in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the commission while the thoroughbred open breeder awards shall be administered and disbursed by the New Jersey Department of Agriculture. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subparagraph (b) of this paragraph.

(ii) 12% of 1% shall be deducted and set aside in a special trust account for the purpose of stabilizing the Thoroughbred Breeding Award Program. These funds shall be used by the New Jersey Racing Commission to supplement both the open and closed award programs. When necessary, the Racing Commission shall forward a portion of the funds to the Department of Agriculture for distribution to New Jersey bred horses that successfully compete in open races. Any sums not used shall revert to the State General Treasury.

(f) 12% of 1% shall be deposited in a separate special trust account for use by the commission in keeping thoroughbred tracks and stable facilities open during periods of time when they are not normally in operation when to do so would serve the public interest.

(g) Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, 50% of 1% of the total contributions shall be held and set aside in the special trust account referred to in subparagraph (e) (i) of this paragraph.

(2) Where the amount derived from the parimutuel handle exceeds $1 million per day based on such contributions accumulated and averaged during the calendar year, the permitholder shall:

(a) Pay to the commission 3.30% of so much of the total contributions to all parimutuel pools conducted or made during such calendar year; but, notwithstanding the foregoing, for pools where the patron is required to select three or more horses, the permitholder shall pay to the commission 4.30% of the total contributions.

Payment on account of such sums to be paid to the commission shall be made every seventh day of any and every race meeting in the amount then due as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require. Except as otherwise provided by law, no admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from any permitholder 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.

(b) Hold and set aside in an account designated as a special trust account 23% of 1% of such total contributions to be used and distributed as hereinafter provided and as provided in section 5 of P. L. 1967, c. 40, for the following purposes and no other:

(i) 18% of 1% thereof for contributions and awards designed to improve and promote the thoroughbred breeding industry in New Jersey through payments of awards to owners and breeders of registered New Jersey bred horses which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such registered New Jersey bred money winners;

(ii) 5% of 1% thereof for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration.

(c) Retain 6.81% of such total contributions for his own uses and purposes. For pools where the patron is required to select two horses, the permitholder shall retain 7.88% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 10.29% of the total contributions.

(d) Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association 5.92% of such contributions. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall distribute as purse money 6.85% of such contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 8.94% of the total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association shall not exceed 2.5% of the sum available for distribution as purse money from all parimutuel pools. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Horsemen's Benevolent and Protective Association and the permitholder.

(e) (i) 50% of 1% of all pools shall be deducted and set aside in a special trust account for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey; to improve purses for closed races; to provide awards for owners and breeders of registered New Jersey bred horses who earn portions of purses in closed races at New Jersey race tracks and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such New Jersey bred money earners and awards to New Jersey Thoroughbred Breeders' Association for programs beneficial to thoroughbred breeding in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the commission while the thoroughbred open breeder awards shall be administered and disbursed by the New Jersey Department of Agriculture. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subparagraph (b) of this paragraph.

(ii) 12% of 1% shall be deducted and set aside in a special trust account for the purpose of stabilizing the Thoroughbred Breeding Award Program. These funds shall be used by the New Jersey Racing Commission to supplement both the open and closed award programs. When necessary, the Racing Commission shall forward a portion of the funds to the Department of Agriculture for distribution to New Jersey bred horses that successfully compete in open races. Any sums not used shall revert to the State General Treasury.

(f) 12% of 1% shall be deposited in a separate special trust account for use by the New Jersey Racing Commission in keeping thoroughbred tracks and stable facilities open during periods of time when they are not normally in operation when to do so would serve the public interest.

(g) Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, 50% of 1% of the total contributions shall be held and set aside in the special trust account referred to in subparagraph (e) (i) of this paragraph.

Notwithstanding any other provision of this section, every harness permitholder engaged in the business of conducting harness race meetings shall retain from the funds designated in subsection a. (1) of this section an additional 1% of the total contributions to all parimutuel pools for his own uses and purposes, in addition to those sums herein mentioned in subsection a. (3) of this section, during the period of November 1 to March 31, referred to as winter racing days. Any running race permitholder operating pursuant to subsection b. (2) of this section shall retain from the funds designated in subsection b. (2) (a) an additional 1% of the total contributions to all parimutuel pools for his own uses and purposes, in addition to those sums herein mentioned in subsection b. (2) (c), for any winter racing days as herein defined.

3. Section 8 of P. L. 1967, c. 40 (C. 5:5–90) is amended to read as follows:

C. 5:5-90 Award in open race; amount.

8. No award in an open race shall exceed $3,000.00.

4. (New section) Notwithstanding any other provisions of section 46 of P. L. 1940, c. 17 (C. 5:5–66), any permitholder conducting running race meetings prior to June 1, 1981 shall be considered as operating a special race meeting at which distribution of all parimutuel pools shall be as follows:

a. Pay to the commission 38% of 1% of so much of the total contributions to all parimutuel pools conducted or made during such calendar year; but, notwithstanding the foregoing, for pools where the patron is required to select three or more horses, the permitholder shall pay to the commission 1.38% of the total contributions.

Payment on account of such sums to be paid to the commission shall be made every seventh day of any and every race meeting in the amount then due as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require. Except as otherwise provided by law, no admission or amusement tax, excise tax, license or horse racing fee of any kind shall be assessed or collected from any permitholder 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.

b. Hold and set aside in an account designated as a special trust account 23% of 1% of such total contributions to be used and distributed as hereinafter provided in section 5 and as provided in section 2 of this act for the following purposes and no other:

(1) 18% of 1% thereof for contributions and awards designed to improve and promote the thoroughbred breeding industry in New Jersey through payments of awards to owners and breeders of registered New Jersey bred horses which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such registered New Jersey bred money winners;

(2) 5% of 1% thereof for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration.

c. Retain 9.73% of such total contributions for his own uses and purposes. For pools where the patron is required to select two horses, the permitholder shall retain 10.80% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 13.21% of the total contributions.

d. Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association 5.92% of such contributions. Notwithstanding

the foregoing, for pools where the patron is required to select two horses, the permitholder shall distribute as purse money 6.85% of such contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 8.94% of the total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association shall not exceed 2.5% of the sum available for distribution as purse money from all parimutuel pools. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Horsemen's Benevolent and Protective Association and the permitholder.

e. (1) 50% of 1% of all pools shall be deducted and set aside in a special trust account for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey; to improve purses for closed races; to provide awards for owners and breeders of registered New Jersey bred horses who earn portions of purses in closed races at New Jersey race tracks and and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such New Jersey bred money earners and awards to New Jersey Thoroughbred Breeders' Association for programs beneficial to thoroughbred breeding in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the commission while the thoroughbred open breeder awards shall be administered and disbursed by the New Jersey Department of Agriculture. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subsection b. of this section.

(2) 12% of 1% shall be deducted and set aside in a special trust account for the purpose of stabilizing the Thoroughbred Breeding Award Program. These funds shall be used by the New Jersey Racing Commission to supplement both the open and closed award programs. When necessary, the Racing Commission shall forward a portion of the funds to the Department of Agriculture for distribution to New Jersey bred horses that successfully compete in open races. Any sums not used shall revert to the State General Treasury.

f. 12% of 1% shall be deposited in a separate special trust account for use by the New Jersey Racing Commission in keeping thoroughbred tracks and stable facilities open during periods of

time when they are not normally in operation when to do so would serve the public interest.

g. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, 50% of 1% of the total contributions shall be held and set aside in the special trust account referred to in subsection e. of this section.

5. (New section) A permitholder operating a special race meeting under the provisions of section 4 of the act shall remit and pay to the commission in installments and at the same time and manner provided in section 4 of this act, all moneys set aside in the special trust account for contributions and awards and horse breeding and promotion pursuant to subsection b. of section 4 of this act. All such special trust moneys shall be accounted for, paid into, credited to and appropriated from the "New Jersey Horse Breeding and Development Account" in the manner and for the purposes provided in section 5 of P. L. 1967, c. 40 (C. 5:5–88).

6. This act shall take effect immediately.

Approved April 9, 1981.

CHAPTER 119

A SUPPLEMENT to "An act relating to the transportation system of the State and making appropriations therefor," approved April 15, 1980 (P. L. 1980, c. 21).

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

1. Notwithstanding the provisions of P. L. 1980, c. 21 to the contrary, $10,000,000.00 from the Transportation Rehabilitation and Improvement Fund of 1979, as appropriated by section 2 of P. L. 1980, c. 21, shall be allocated for the rehabilitation of approximately 300 State-owned buses.

2. This act shall take effect immediately.

Approved April 10, 1981.

CHAPTER 120

AN ACT creating the New Jersey Building Authority, defining the powers, duties and functions thereof, authorizing the issuance of bonds or notes of the authority and providing for the terms and security thereof, and providing an appropriation for the authority.

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

C. 52:18A-78.1 Short title.

1. This act shall be known and may be cited as the "New Jersey Building Authority Act."

C. 52:18A-78.2 Definitions.

2. As used in this act, unless the context clearly indicates otherwise:

a. "Authority" means the New Jersey Building Authority created under this act.

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

c. "Local governmental agency" means any municipality, county, school district, or any agency, department or instrumentality of any of the foregoing, or any other public body having local or regional jurisdiction or powers and not constituting a State agency.

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

e. "Project" means any building or buildings primarily for the use of State agencies and suitable for office space and related facilities necessary for the conduct of official business, for storage and warehouse facilities, for motor vehicle inspection stations, for testing and research laboratories, and for public television operations, including related structures, parking facilities, improvements, real and personal property or any interest therein, including lands under water, space rights and air rights, and other appurtenances and facilities necessary or convenient to the use or operation of the building or buildings, acquired, owned, constructed, reconstructed, extended, rehabilitated or improved by the authority.

f. "State agency" means the Executive, Legislative or Judicial branch of the State Government or any officer, department,

board, commission, bureau, division, public authority or corporation, agency or instrumentality of the State.

C. 52:18A-78.3 Legislature's findings and declaration of policy.

3. The Legislature finds and declares the following:

a. That for many years the functions of the State Government have grown and that during this period of rapid expansion no definite program has been adopted for the housing and carrying out of the operations of the many State agencies.

b. That many State agencies have their offices in privately owned or inadequate State owned buildings and that these buildings are inadequate to meet the needs of these State agencies and the needs of the people of the State.

c. That it is to the economic benefit and general welfare of the citizens of the State to provide sufficient office space and related facilities for these State agencies and thus provide for a more efficient and economic operation of State Government.

d. That in order to provide for office space and related facilities at a cost that these State agencies can afford, it is necessary to create and establish a building authority for the purposes of constructing and operating office buildings and related facilities to meet the needs of State agencies.

e. It is necessary and in the public interest that this building authority have the necessary funds to provide for predevelopment cost, temporary financing, land development expenses, construction and operation of office buildings and related facilities for the use of, and sale or rental to, State agencies.

f. For these purposes, there should be created a corporate governmental agency to be known as the "New Jersey Building Authority" which, through issuance of bonds and notes to the private, investing public may provide or obtain the capital resources necessary to acquire, construct, reconstruct, rehabilitate or improve these office buildings and related facilities necessary or convenient to the operation of any State agency.

g. That the acquisition, construction, reconstruction, rehabilitation or improvement of these office buildings and related facilities necessary or convenient to the operation of any State agency are public uses and public purposes for which public money may be loaned and private property may be acquired and tax exemptions granted, and that the powers and duties of the New Jersey Building Authority as set forth in this act are necessary and proper for the purpose of achieving the ends here recited.

h. That the construction, reconstruction, rehabilitation and improvement activities of the authority will provide a much needed stimulus for the construction industry, and related industries and professions, particularly in urban areas.

C. 52:18A-78.4 New Jersey Building Authority; establishment; membership; terms; appointment; removal; oath; quorum; bond; execution; compensation; ex officio members; dissolution; minutes.

4. a. There is established in the Department of the Treasury a public body corporate and politic, with corporate succession, to be known as the "New Jersey Building Authority." The authority is constituted an instrumentality of the State exercising public and essential governmental functions, and the exercise by the authority thereof of the powers conferred by this act shall be deemed and held to be an essential governmental function of the State.

b. The membership of the authority shall consist of 12 directors as follows: the State Treasurer, the Comptroller of the Treasury, the Chairman of the Commission on Capital Budgeting and Planning who shall be members ex officio; two persons appointed by the Governor upon the recommendation of the President of the Senate and two persons appointed by the Governor upon the recommendation of the Speaker of the General Assembly, of whom no more than one of each group of two shall be of the same political party, and who shall serve during the 2-year legislative term in which they are appointed and until their successors shall have been appointed and qualified; and five directors appointed by the Governor with the advice and consent of the Senate for terms of 4 years no more than three of whom shall be of the same political party. The directors of the authority first appointed by the Governor shall serve for terms of 1 year, 2 years, 3 years and two for 4 years, respectively, and thereafter directors shall be appointed by the Governor for terms of 4 years. Each such director shall hold office for the term of his appointment and until his successor shall have been appointed and qualified. A director shall be eligible for reappointment. Any vacancy on the board of directors 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 director appointed by the Governor, except those appointed upon recommendation of the President of the Senate and Speaker of the General Assembly, 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 the hearing. Each director 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 the oaths shall be filed in the office of the Secretary of State.

d. The authority shall not be deemed to be constituted and shall not take action or adopt motions or resolutions until all original authorized members shall have been appointed and qualified in the manner provided in this section. A chairman shall be appointed by the Governor with the advice and consent of the Senate from the directors of the authority other than the ex officio directors, and the directors of the authority shall annually elect one of their number as vice chairman thereof. The directors shall elect a secretary and a treasurer who need not be directors, and the same person may be elected to serve both as secretary and treasurer. The powers of the authority shall be vested in the directors thereof in office from time to time and seven directors 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 seven directors of the authority. No vacancy on the board of directors of the authority shall impair the right of a quorum of the directors to exercise all the powers and perform all the duties of the authority.

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

f. The directors of the authority shall serve without compensation, but the authority shall reimburse its directors 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 director of the authority or his services therein.

g. The State Treasurer and the Comptroller of the Treasury of the State, as ex officio directors of the authority, may each desig-

nate an officer or employee of the Department of the Treasury to represent him at meetings of the authority, and the Chairman of the Commission on Capital Budgeting and Planning, as ex officio director of the authority, may designate a member or the executive director of the Commission on Capital Budgeting and Planning to represent him at meetings of the authority. Each designee may lawfully vote and otherwise act on behalf of the director for whom he constitutes the designee. The designation shall be in writing delivered to the authority and shall continue in effect until revoked or amended in 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 these debts or obligations. Upon any dissolution of the authority all property, funds and assets thereof shall be vested in the State. In addition, any project shall be vested in the State upon the payment or retirement of all debts or obligations for the project or upon the assumption by the State of liability for any outstanding debts or obligations for the project.

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 and the presiding officers of both houses of the Legislature. No action taken at any meeting by the authority shall have effect until 15 days after a copy of the minutes has been so delivered unless during the 15-day period the Governor shall approve the same in which case the action shall become effective upon the approval. If, in the 15-day period, the Governor returns the copy of the minutes with veto of any action taken by the authority or any member thereof at that meeting, the action shall be of no effect. The powers conferred in this subsection 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 subsection 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.

C. 52:18A-78.5 Powers of authority.

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

a. To make and alter bylaws for its organization and internal management and, subject to agreements with noteholders and bondholders, to make rules and regulations with respect to its projects, operations, properties and facilities.

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

c. To sue and be sued.

d. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the exercise of its powers under this act.

e. To enter into agreements or other transactions with and accept grants and the cooperation of the United States or any agency thereof or any State agency in furtherance of the purposes of this act, including but not limited to the development, maintenance, operation and financing of any project and to do any and all things necessary in order to avail itself of this aid and cooperation.

f. To receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of this act subject to such conditions upon which this aid and these contributions may be made, including but not limited to, gifts or grants from any department or agency of the United States or any State agency for any purpose consistent with this act.

g. To acquire, own, hold, sell, assign, exchange, lease, mortgage or otherwise dispose of real and personal property or any interest therein in the exercise of its powers and the performance of its duties under this act.

h. To appoint an executive director and such other officers, employees and agents as it may require for the performance of its duties, and to fix their compensation, promote and discharge them, all without regard to the provisions of Title 11 of the Revised Statutes.

i. To acquire, construct, reconstruct, rehabilitate, improve, alter or repair or provide for the construction, reconstruction, improvement, alteration or repair of any 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.

j. To arrange or contract with a county or municipality for the planning, replanning, opening, grading or closing of streets, roads, roadways, alleys or other places, or for the furnishing of facilities or for the acquisition by a county or municipality of property or

property rights or for the furnishing of property or services, in connection with a project.

k. To sell, lease, assign, transfer, convey, exchange, mortgage or otherwise dispose of or encumber any project or other property no longer needed to carry out the public purposes of the authority and, in the case of the sale of any project or property, to accept a purchase money mortgage in connection therewith; and to lease, repurchase or otherwise acquire and hold any project or property which the authority has theretofore sold, leased or otherwise conveyed, transferred or disposed of.

l. To grant options to purchase any project or to renew any leases entered into by it in connection with any of its projects, on such terms and conditions as it deems advisable.

m. To acquire by purchase, lease or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power of eminent domain, except with respect to lands owned by the State or any public lands reserved for recreation and conservation purposes, any land and other property, including railroad lands and land under water, which it may determine is reasonably necessary for any of its projects or for the relocation or reconstruction of any highway by the authority and any and all rights, title and interest in that land and other property, including public lands, highways or parkways, owned by or in which a State agency or local governmental agency 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 any project.

n. To prepare or cause to be prepared plans, specifications, designs and estimates of costs for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any project, and from time to time to modify these plans, specifications, designs or estimates.

o. To sell, lease, rent, sublease or otherwise dispose of any project or any space embraced in any project to any State agency and to establish and revise the purchase price, rents or other charges therefor; provided, however, that the incurrence of any liabilities by a State agency under any agreement entered into with the authority pursuant to the aforesaid authorization, including, without limitation, the payment of any and all rentals or other

amounts required to be paid by the agency thereunder, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for that purpose and approved by the presiding officers, or such other officers as may be provided by law, of both houses of any such lease.

p. To sell, lease, rent, sublease or otherwise dispose of, to any person, firm or corporation, any surplus space in any project over and above that sold, leased, rented, subleased or otherwise disposed of to State agencies and to establish and revise the purchase price, rents or charges therefor.

q. To manage or operate any project or real or personal property related thereto whether owned or leased by the authority or any State agency, and to enter into agreements with any State agency, or any local governmental agency, or with any person, firm, association, partnership or corporation, either public or private, for the purpose of causing any project or related property to be managed.

r. To provide advisory, consultative, training and educational services, technical assistance and advice to any person, firm, association, partnership or corporation, either public or private, in order to carry out the purposes of this act.

s. Subject to the provisions of any contract with noteholders or bondholders to consent to any modification, amendment or revision of any kind of any contract, lease or agreement of any kind to which the authority is a party.

t. To determine, after holding a public hearing in the municipality in which the project is to be located, the location, type and character of the project or any part thereof and all 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 any municipality, county, public body corporate and politic, or any other political subdivision of the State.

u. To borrow money and to issue its bonds and notes and to secure the same and provide for the rights of the holders thereof as provided in this act.

v. 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 those obligations, securities and other investments as the authority shall deem prudent.

w. To procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable.

x. To engage the services of architects, engineers, attorneys, accountants, building contractors, urban planners, landscape architects and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix their compensation.

y. To do any act necessary or convenient to the exercise of the foregoing powers or reasonably implied therefrom.

C. 52:18A-78.6 Projects costing in excess of $100,000.00; powers and duties of authority; "cost" defined.

6. Prior to the acquisition or construction of any project, or any reconstruction, rehabilitation, repair or improvement of a project, the cost of which undertaking is estimated to exceed $100,000.00 the authority shall:

a. Prepare a project report which shall describe the nature and scope of the project, including but not limited to its location, size, cost, and purpose, a list of all entities entering lease agreements for the use of the project and the amount of space each will occupy, the anticipated annual State appropriation for lease agreements, the total State appropriations necessary in each year until the total indebtedness attributable to the project is paid or retired and a statement of anticipated annual receipts and expenditures for the project;

b. Submit the project report to the Commission on Capital Budgeting and Planning for its review and its findings as to whether the project is necessary and convenient to meet the needs of the State agencies which are to utilize the project, whether the project is consistent with the State Capital Improvement Plan, and whether it meets the criteria otherwise established by the commission for its approval of State Capital projects;

c. Conduct a public hearing in the municipality in which the project is to be located as provided in section 7 of this act, and make all responses required by that section;

d. Submit to the Legislature the project report, the findings of the Commission on Capital Budgeting and Planning, the transcript of the public hearing, and all responses required by section 7 of this act;

e. Submit to the Legislature documentation that:

(1) Plans and specifications for the project assure, or will assure adequate light, air, sanitation, and fire protection;

(2) There is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings in accordance with the provisions of the "Relocation Assistance Act of 1967," P. L. 1967, c. 79 (C. 52:31B–1 et seq.) and the "Relocation Assistance Act," P. L. 1971, c. 362 (C. 20:4–1 et seq.), whichever is applicable;

(3) Plans and specifications for the project assure that the project will comply with all applicable standards and requirements prescribed by State and Federal law which promote the public health, protect the environment or promote the conservation of energy, and that, where practicable and appropriate, consideration shall be given to the generation or cogeneration of electrical power on the project site or in conjunction with other facilities;

(4) Plans and specifications for the project assure that it will comply with the requirements of the "State Uniform Construction Code Act," P. L. 1975, c. 217 (C. 52:27D–119 et seq.);

(5) The location of the project is consistent with the State's urban policy of concentrating public investments in distressed urban centers and assisting in the revitalization of the older municipalities, except for a project intended to serve a region which contains no such urban center.

For the purposes of this section "cost" means, in addition to the usual connotations thereof, the cost of acquisition, construction, reconstruction, rehabilitation, repair, improvement and operation of all or any part of a project, and includes, but is not limited to, the cost or fair market value of construction, machinery and equipment, property rights, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development deemed by the authority to be necessary or useful and convenient therewith, discount on bonds, cost of issuance of bonds, engineering and inspection costs and legal expenses, cost of financial, professional and other estimates and advice, organization, administrative, insurance, operating and other expenses of the authority or any person prior to and during any acquisition or construction, reconstruction, rehabilitation, repair or improvement, and all other expenses as may be necessary or incident to the financing, acquisition, construction, rehabilitation, repair or improvement and completion of the project or part thereof, and also provision for reserves for payment or security of principal of, or interest on, the bonds during any such undertaking.

C. 52:18A-78.7 Public hearing; notice; publication; objection by governing body; response by authority.

7. a. The authority shall conduct a public hearing on each project within the municipality in which the project is to be located. The authority shall cause notice of the hearing to be published in at least two newspapers of general circulation within the municipality at least 15 days prior to the date of the hearing and shall also file the notice at least 15 days prior to the date of the hearing with the governing body of the county and municipality in which the project is to be located.

The notice shall summarize the project and specify where and how additional information may be obtained.

b. All testimony presented at the hearing and all material submitted to the authority within 15 days following the hearing shall be included in a hearing record to be prepared and made available to the public by the authority.

c. The governing body of the county or municipality in receipt of the notice prescribed in this section may file with the authority, within 15 days following the hearing, a written objection to the project, stating in detail the nature of the objection.

d. The authority shall respond in writing to any objection filed pursuant to this section, including specific responses to the data, views and arguments contained in the objection.

C. 52:18A-78.8 Submission to Legislature; approval or disapproval.

8. a. The authority shall make the submission to the Legislature required by section 6 of this act to the President of the Senate and the Speaker of the General Assembly on a day when both houses are meeting. The President and the Speaker shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively.

b. Unless the project as described in the submission is approved by adoption of a concurrent resolution to this effect by the affirmative vote of a majority of the authorized membership or both houses within the time period prescribed in this subsection, the project shall be deemed disapproved and the authority shall not undertake the project. The President and the Speaker shall cause a concurrent resolution of approval of the project to be placed before the members of the respective houses for a recorded vote within the time period. The time period shall commence on the day of submission and expire on the forty-fifth day after submission or, for a house not meeting on the forty-fifth day, on the next meeting day of that house.

C. 52:18A-78.9 Lease agreement; approval to execute.

9. No lease agreement entered into for space in any project shall be executed without prior written approval of the presiding officers, or such other officers as may be provided by law, of both houses of the Legislature.

C. 52:18A:78.10 Provisions governing drawings, plans or specifications; municipal services; contractual agreements with local governmental agencies.

10. a. No municipality shall modify or change the drawings, plans or specifications for the construction, reconstruction, rehabilitation, alteration or improvement of any project of the authority, or the construction, plumbing, heating, lighting or other mechanical branch of work necessary to complete the work in question, nor to require that any person, firm or corporation employed on any such work shall perform the work in any other or different manner than that provided by the drawings, plans and specifications, nor to require that any person, firm or corporation obtain any other or additional authority, approval, permit or certificate from the municipality in relation to the work being done, and the doing of the work by any person, firm or corporation in accordance with the terms of the drawings, plans, specifications or contracts shall not subject the person, firm or corporation to any liability or penalty, civil or criminal, other than as may be stated in the contracts or incidental to the proper enforcement thereof; nor shall any municipality require the authority or any State agency which leases or purchases the project to obtain any other or additional authority, approval, permit, certificate or certificate of occupancy from the municipality as a condition of owning, using, maintaining, operating or occupying any project acquired, constructed, reconstructed, rehabilitated, altered or improved by the authority or by any subsidiary thereof. The foregoing provisions shall not preclude any municipality from exercising the right of inspection for the purpose of requiring compliance by any project with local requirements for operation and maintenance, affecting the health, safety and welfare of the occupants thereof, provided that the compliance does not require changes, modifications or additions to the original construction of the project.

b. Each municipality in which any project of the authority is located shall provide for the project, whether then owned by the authority, any subsidiary, or any State agency, police, fire, sanitation, health protection and other municipal services of the same

character and to the same extent as those provided for other residents of the municipality.

c. In carrying out any project, the authority may enter into contractual agreements with local governmental agencies with respect to the furnishing of any community, municipal or public facilities or services necessary or desirable for the project, and any local governmental agency may enter into these contractual agreements with the authority and do all things necessary to carry out its obligations under the same.

C. 52:18A-78.11 Public advertising for bids required; award to lowest responsible bidder.

11. a. 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 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 $7,500.00 unless the authority shall first publicly advertise for bids therefor, and shall award the contract to the lowest responsible bidder. Advertising shall not be required where the contract to be entered into is one for the furnishing or performing of 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 Board of Public Utilities and tariffs and schedules of the charges made, charged, or exacted by the public utility for any products to be supplied or services to be rendered are filed with the board. 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 requires, or the exigency of the accomplishment of the projects will not allow advertisement. In that case, the board of directors of the authority shall, by resolution, declare the exigency or emergency to exist, and set forth in the resolution the nature thereof and the approximate amount to be so expended.

b. In undertaking any project where the cost of construction, reconstruction, rehabilitation or improvement will exceed $25,000.00, the authority shall be subject to the rules and regulations of the Division of Building and Construction concerning procedural re-

quirements for the making, negotiating or awarding of purchases, contracts or agreements; and the authority, with the assistance of the division, shall prepare, or cause to be prepared, separate plans and specifications for:

(1) The plumbing and gas fitting and all work and materials kindred thereto,

(2) The steam and hot water heating and ventilating apparatus, steam power plants and all work and materials kindred thereto,

(3) The electrical work,

(4) Structural steel and ornamental iron work and materials and,

(5) All other work and materials required to complete the building; and the authority shall receive (a) separate bids for each of these branches of the work and (b) bids for all the work and materials required to complete the project to be included in a single overall contract, in which case there shall be set forth in the bid the name or names of all subcontractors to whom the bidder will subcontract for the furnishing of any of the work and materials specified in (a) above.

If the sum total of the amounts bid by the lowest responsible bidder for each branch is less than the amount bid by the lowest responsible bidder for all of the work and materials, the authority shall award separate contracts for each of branches to the lowest responsible bidder therefor, but if the sum total of the amount bid by the lowest responsible bidder for each branch is not less than the amount bid by the lowest responsible bidder for all the work and materials, the authority shall award a single over-all contract to the lowest responsible bidder for all of the work and materials.

Whenever a contract is awarded under (b) above, all payments required to be made by the authority under the contract for work and materials, the authority shall award a single over-all contract tion of the contractor of the amount due to the subcontractor, be paid directly to the subcontractor.

All construction, reconstruction, rehabilitation or improvement undertaken by the authority pursuant to this act shall be subject during such undertaking to the supervision of the Division of Building and Construction to the same extent as any project undertaken by the State.

C. 52:18A-78.12 Relocation of public highways; entry on lands; public utility facilities.

12. a. If the authority shall find it necessary in connection with the undertaking of any of its projects to change the location of

any portion of any public highway, or road, it may contract with any government agency, or public or private corporation which may have jurisdiction over the public highway or road to cause the public highway or road to be constructed at such location as the authority shall deem most favorable. The cost of the reconstruction and any damage incurred in changing the location of the 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 any 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 Commissioner 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 this act, all in accordance with due process of law, and this entry shall not be deemed a trespass nor shall an entry for this 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 the lands, waters and premises as a result of these 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 any project. Whenever the authority shall determine that it is necessary that any public utility facilities which now are, or hereafter may be, located in, on, along, over or under any project shall be relocated in the project, or should be removed from the project, the public utility owning or operating the facilities shall relocate or remove the same in accordance with the order of the authority. The cost and expenses of the relocation or removal, including the cost of installing the 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 the relocation or removal, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any relocation or removal of facilities,

as aforesaid, the public utility owning or operating the same, its successors or assigns, may maintain and operate the facilities, with the necessary appurtenances, 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 the facilities in their former location or locations. In all undertakings authorized by this subsection the authority shall consult and obtain the approval of the Board of Public Utilities.

C. 52:18A-78.13 Exercise of power of eminent domain.

13. a. The authority may exercise the power of eminent domain in the manner provided in the "Eminent Domain Act of 1971," P. L. 1971, c. 361 (C. 20:3–1 et seq.).

b. The authority may take possession of any property with respect to which it institutes an eminent domain action upon filing of a declaration of taking and otherwise as provided by Article V of the "Eminent Domain Act" (C. 20:3–15 et seq.).

C. 52:18A-78.14 Bonds and notes; issuance; amount.

14. a. The authority may from time to time 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 the bonds or notes or interest thereon and all other costs or expenses of the authority incident to and necessary to carry out its corporate purposes and powers; provided, however, that the aggregate principal amount of bonds and notes of the authority outstanding at any time may not exceed $250,000,000.00. In computing the principal amount of bonds and notes outstanding for purposes of the foregoing limitation there shall not be included any bonds or notes, the principal of and interest on which have been paid or the payment of which has been provided for by the issuance of refunding bonds or otherwise. In addition, if the authority has issued bonds or notes to finance the total cost of a project based on estimates prepared by an independent consultant and it shall later be determined by the consultant that the costs of the project as initially approved have increased, the authority shall be authorized to issue the additional bonds or notes required to finance the increased costs, even if the aforementioned $250,000,000.00 limitation is exceeded by the issuance.

b. 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, of the New Jersey Statutes, the bonds and notes are hereby made negotiable instruments within the meaning of and for all the purposes of Title 12A, subject only to the provisions of the bonds and notes for registration.

c. 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.

d. 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 35 years from the date thereof.

e. Bonds or notes may be issued under the provisions of this 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 this act.

f. Bonds or 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 political subdivision or be or constitute a pledge of the faith and credit of the State or of any 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 this 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 its revenues, receipts or funds pledged or available for their payment as authorized in this act and that neither the State nor any political subdivision thereof is obligated to pay the 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 the bonds or notes.

g. Each issue of bonds or notes of the authority may, if it is determined by the authority, be general obligations thereof payable out of any revenues, receipts or funds of the authority subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or funds, and shall be secured by one or more of the following:

(1) Pledge of rentals, receipts and other revenues to be derived from leases, sales agreements, service contracts or similar contractual arrangements with one or more State agencies, whether or not the same relate to the project or part thereof financed with the bonds or notes, or a pledge or assignment of the leases, sales agreements, service contracts or instruments evidencing similar arrangements and the rights and interests of the authority; provided that such leases, sales agreements, service contracts or similar contractual arrangements shall be in effect at the time of the issuance of the bonds or notes;

(2) Pledge of grants, subsidies, contributions or other payments to be received from the United States of America or any instrumentality thereof or from the State or any State agency;

(3) A first mortgage on all or any part of the property, real or personal, of the authority then owned or thereafter to be acquired; provided that the property so mortgaged as improved and developed by application of the proceeds of the bonds or notes shall be appraised as at least equal to the amount of the bonds or notes;

(4) Pledge of the revenues and receipts estimated to be thereafter derived from the ownership or operation of the project or part thereof or from the lease or sale thereof, including any income from investment of the funds and moneys held in connection therewith and pledged to the payment of the bonds or notes and the interest thereon or a pledge of any lease, sales agreement, service contract or instrument evidencing similar arrangements to be entered into subsequent to the issuance of the bonds or notes;

(5) Pledge of all moneys, funds, accounts, securities and other funds, including the proceeds of the bonds or notes.

C. 52:18A-78.15 Contracts with holders of bonds or notes.

15. 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 the 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 the bonds or notes, to:

a. Secure the bonds or notes as provided in section 14;

b. Covenant against pledging all or any part of its revenues or receipts or its leases, sales agreements, service contracts or other security instruments, or its mortgages or other agreements, or the revenues or receipts under any of the foregoing or the proceeds thereof, or against mortgaging or leasing 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;

c. Covenant with respect to limitations on any right to sell, mortgage, lease or otherwise dispose of any project or any part thereof or any property of any kind;

d. 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;

e. 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;

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

g. Provide for the replacement of lost, stolen, destroyed or mutilated bonds or notes;

h. Covenant against extending the time for the payment of bonds or notes or interest thereon;

i. Covenant as to the redemption of bonds or notes and privileges of exchange thereof for other bonds or notes of the authority;

j. Covenant as to the fixing and collection of rents, fees, rates and other charges, the amount to be raised each year or other period of time by rents, fees, rates and other charges and as to the use and disposition to be made thereof;

k. 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 these funds;

l. 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 the consent may be given;

m. Covenant as to the construction, improvement, operation or maintenance of any project and its other real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

n. 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;

o. Provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and 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 the declaration and its consequences may be waived;

p. 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, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds or notes pursuant to section 24 of this act and to limit or abrogate the right of the holders of any bonds or notes of the authority to appoint a trustee under this act, and to limit the rights, duties and powers of the trustee;

q. Execute all mortgages, leases, sales agreements, service contracts, 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;

r. Pay the costs or expenses incident to the enforcement of the bonds or notes or of the provisions of the resolution or of any covenant or agreement of the authority with the holders of its bonds or notes;

s. Limit the rights of the holders of any bonds or notes to enforce any pledge or covenant securing bonds or notes; and

t. Make covenants other than or in addition to the covenants authorized by this act 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 the covenants, acts or things may not be enumerated herein.

C. 52:18A-78.16 Pledge of revenues, receipts, moneys, funds or other property.

16. Any pledge of revenues, receipts, moneys, funds, levies, sales agreements, service contracts or other property or instruments made by the authority shall be valid and binding from the time when the pledge is made. The revenues, receipts, moneys, funds or other property so pledged and thereafter received by the authority or a subsidiary shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any 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 the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge under this section is created need be filed or recorded except in the records of the authority.

C. 52:18A-78.17 No personal liability.

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

C. 52:18A-78.18 Establishment of reserves, funds or accounts.

18. 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.

C. 52:18A-78.19 Pledge and covenant not to alter rights and powers.

19. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to authorization 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 any project in any way that would jeopardize the interest of the holders, or to perform and fulfill the terms of any agreement made with the holders of the bonds or notes, or to fix, establish, charge and collect such rents, fees, rates, payments, or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of

the authority and to fulfill the terms of any agreement made with the holders of the 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 the holders, until the bond and notes, together with interest thereon, are fully met and discharged or provided for. The State does hereby further pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to authorization of this act that the State will not increase the maximum principal amount of bonds and notes permitted to be outstanding at any time pursuant to section 14 of this act, until the bonds and notes, together with interest thereon, are fully met and discharged or provided for.

C. 52:18A-78.20 Investment by State, banks, insurers, fiduciaries authorized.

20. 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, trustees 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 this act, and such bonds or notes shall be authorized security for any and all public deposits.

C. 52:18A-78.21 Conveyance of real property or interest therein.

21. All State agencies and all local governmental agencies, notwithstanding any contrary provision of law, may 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 the State agencies or local governmental agencies 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 or ordinance 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.

C. 52:18A-78.22 Acquisition of projects by State agencies.

22. All State agencies may purchase, lease, rent, sublease or otherwise acquire any project or any space embraced in any project from the authority and pay to the authority such amount as may be agreed upon between the State agency and the authority as the purchase price, rent or other charge therefor. Any agreement entered into by any State agency with the authority pursuant to the aforesaid authorization, shall expressly provide that the incurrence of any liabilities by the agency under the agreement, including, without limitation, the payment of any and all rentals or other amounts required to be paid by the agency thereunder, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for that purpose and upon the approval of the lease agreement by the presiding officers of both houses of the Legislature or by such other officers of both houses as may be provided by law.

C. 52:18A-78.23 Exemption from taxation.

23. a. All projects and other property of the authority are declared to be public property devoted to an essential public and governmental function and purpose and shall be exempt from all taxes of the State or any political subdivision thereof; provided that when all or any part of a project is leased, subleased or licensed to, or otherwise used under an arrangement providing for the acquisition thereof by any person, firm, association, partnership or corporation, other than a State agency, a local governmental agency or other public body the interest created by the lease or other arrangement and the appurtenances thereto shall be listed as the property of the lessee or the user under the other arrangement, or their respective assignees, and be assessed and taxed as real estate, but this provision shall not be deemed to modify or repeal in any respect any tax exemption or tax abatement that the person, firm or corporation shall otherwise be entitled to with respect to the property of the project or part thereof. All bonds or notes issued pursuant to this act are declared to be issued by a body corporate and politic of the State and for an essential public and governmental purpose and these bonds and notes, and the interest thereon and the income therefrom and from the sale, exchange or other transfer thereof, and all funds, revenues, income and other moneys received or to be received by the authority shall at all times be exempt from taxation, except for transfer, inheritance and estate taxes.

b. Projects and property of the authority shall be deemed to be "State property" under P. L. 1977, c. 272 (C. 54:4–2.2a et seq.) and shall be assessed and subject to an in lieu tax payment provided in that act unless the interest created by a lease, sublease or license or other arrangement is subject to tax as real estate under this section.

C. 52:18A-78.24 Default by authority; trustee; appointment; powers.

24. a. If the authority shall default in the payment of principal of, or interest on, any issue of notes or bonds after the same shall become due, whether at maturity or upon call for redemption, and the default shall continue for a period of 30 days, or if the authority shall fail or refuse to comply with the provisions of this act, or shall default in any agreement made with the holders of any issue of notes or bonds, the holders of 25% in aggregate principal amount of the notes or bonds of the issue then outstanding, by instrument or instruments filed in the office of the clerk of any county in which the authority operates and has an office and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the notes or bonds for the purposes herein provided.

b. The trustee may, and upon written request of the holders of 25% in principal amount of the notes or bonds then outstanding shall, in his or its own name:

(1) By suit, action or proceeding enforce all rights of the noteholders or bondholders, to require the authority to carry out any other agreements with the holders of the notes or bonds and to perform its duties under this act;

(2) Bring suit upon the notes or bonds;

(3) By action or suit, require the authority to account as if it were the trustee of an express trust for the holders of the notes or bonds;

(4) By action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the notes or bonds;

(5) Declare all notes or bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of 25% of the principal amount of the notes or bonds then outstanding, to annul the declaration and its consequences.

c. The trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general

representation of bondholders or noteholders in the enforcement and protection of their rights.

d. The Superior Court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of the noteholders or bondholders. The venue of any suit, action or proceeding shall be laid in the county in which the principal office of the authority is located.

e. Before declaring the principal of notes or bonds due and payable, the trustee shall first give 30 days' notice in writing to the authority.

C. 52:18A-78.25 All sums of money deemed trust funds.

25. All sums of money received pursuant to the authority of this act, whether as proceeds from the sale of bonds or notes or as revenues or receipts, shall be deemed to be trust funds to be held and applied solely as provided in the proceedings under which the bonds or notes are authorized. Any officer with whom or any bank or trust company with which such sums of money shall be deposited as trustee thereof shall hold and apply the same for the purposes thereof, subject to such provisions as this act and the proceedings authorizing the bonds or notes of any issue or the trust agreement securing the bonds or notes may provide.

C. 52:18A-78.26 Annual report; audit.

26. On or before March 31 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. The 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 State Treasurer and the Comptroller of the Treasury.

C. 52:18A-78.27 Services to authority by other governmental entities; cost and expense.

27. All officers, departments, boards, agencies, divisions and commissions of the State are authorized 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.

C. 52:18A-78.28 Establishment of affirmative action program.

28. a. The authority shall adopt rules and regulations to establish an affirmative action program for the hiring of minority workers

employed in the performance of construction contracts undertaken in connection with any of its projects, and to expand the business opportunities of socially and economically disadvantaged contractors and vendors seeking to provide materials and services for those contracts, consistent with the provisions of the "Law Against Discrimination," P. L. 1945, c. 169 (C. 10:5–1 et seq.). The authority shall provide for the proper enforcement and administration of these rules and regulations.

b. Within 180 days of the effective date of this act, but before adoption of its rules and regulations concerning its affirmative action program, the authority shall submit the proposed rules and regulations to the presiding officers and the standing committees on state government of both houses of the Legislature for their review.

C. 52:18A-78.29 Prevailing wage rate; rules and regulations.

29. The authority shall adopt rules and regulations requiring that not less than the prevailing wage rate be paid to workers employed in the performance of construction contracts undertaken in connection with any of its projects. The prevailing wage rate shall be the rate determined by the Commissioner of Labor and Industry pursuant to the provisions of P. L. 1963, c. 150 (C. 34:11–56.25 et seq.).

C. 52:18A-78.30 Inconsistent provisions superseded.

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

C. 52:18A-78.31 Partial invalidity.

31. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, the 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 the judgment shall have been rendered.

C. 52:18A-78.32 Act to be construed liberally.

32. This act shall be construed liberally to effectuate the legislative intent and the purposes of this act as complete and independent

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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.

33. There is appropriated to the authority from the General State Fund the sum of $100,000.00 or so much thereof as may be necessary, for the purposes of carrying out its functions and duties pursuant to this act. The appropriation shall be repaid to the General State Fund as soon as practicable, at an annual interest rate of 8%, out of excess revenues or other funds of the authority not required to pay the principal of or interest on any bonds or notes of the authority or retire such bonds or notes or to meet reserve requirements with respect thereto and not required for any other purposes of the authority.

34. This act shall take effect immediately.

Approved April 16, 1981.

CHAPTER 121

AN ACT concerning the exemption of real property from taxation in certain cases, and amending P. L. 1975, c. 104.

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

1. Section 4 of P. L. 1975, c. 104 (C. 54:4–3.75) is amended to read as follows:

C. 54:4-3.75 Determination of value of real property; home improvement exemption.

4. In determining the value of real property for the purposes of taxation, qualified municipalities, after passage by the municipal governing body of a general ordinance providing for such exemptions either throughout the municipality or in designated residential neighborhoods to be specified in such ordinance, may regard the first $4,000.00 or $10,000.00 or $15,000.00, as may be specified by general ordinance, in assessor's full and true value of home improvements for each dwelling unit primarily and directly affected by a home improvement in any dwelling more than 20 years old, as not increasing the value of such property for a period of 5 years,

notwithstanding that the value of the dwelling to which such improvements are made is increased thereby, provided, however, that during said period, the assessment on such dwelling shall in no case, except that of damage through action of the elements sufficient to warrant a reduction, be less than the assessment thereon existing immediately prior to such home improvements.

2. This act shall take effect immediately.

Approved April 16, 1981.

CHAPTER 122

AN ACT establishing and concerning a Department of Commerce and Economic Development as a principal department in the Executive Branch of the State Government, amending P. L. 1974, c. 80, repealing parts of the statutory law, and providing an appropriation therefor.

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

C. 52:27H-1 Short title.

1. This act shall be known and may be cited as the "Department of Commerce and Economic Development Act".

C. 52:27H-2 Legislature's findings and determination.

2. The Legislature finds and determines that the well-being of the people of New Jersey, and of their institutions, including government, is directly related to the well-being of New Jersey's business and industrial enterprises, including the housing industry and small business enterprises, which provide the economic base of employment and taxes upon which all other institutions of society depend.

The Legislature further finds and determines that New Jersey's economy has deteriorated in recent years from its one-time position of national prominence and leadership in many fields of business and industry, a trend particularly evident in the almost continuous decline of manufacturing employment over a span of a decade or more, a fact which has had significant and deleterious effects upon the economy of the State, impacting adversely upon a broad cross-section of New Jersey's citizenry.

The Legislature further finds and determines that the variety and magnitude of New Jersey's economic development programs have now reached a level that warrants their consolidation into a separate cabinet-level administrative department devoted exclusively to monitoring the interests and concerns of business and industry, maintaining continuous liaison with the business community and its leadership for the purpose of assisting in the formulation and direction of economic policy so as to provide business and industry the optimum climate within which enterprises may grow and prosper to the benefit of society as a whole. The Legislature also finds that the variety and complexity of programs which serve to protect the occupational health and safety of workers at the work place, to provide skill development and training programs, to provide employability development and employment placement programs, to administer the programs designed to protect the income security of our workers, to assist in the development and preservation of sound labor management relations and to maintain continuing liaison with organized labor and its leadership for the purpose of assisting in the formulation and direction of policy so as to provide the optimum climate within which organized labor can serve the needs of New Jersey's working men and women, warrants a cabinet level department devoted exclusively to this purpose which shall be known as the Department of Labor.

The Legislature, therefore, declares it to be in the best interest of the citizens of this State to establish a principal department within the Executive Branch to serve as a focus for business and industrial problems and concerns; as a center for gathering and disseminating appropriate data and information of significance to the business community; to continually analyze such data and to help formulate economic policies of the State on the basis thereof; to serve as a major focal point for economic development activities in cooperation with other entities, public and private, active in this field; to serve as a voice for and advocate of the interests of the business sector, not only within the highest councils of the Executive Branch but also before the Legislature and the general public; to assist in translating input it receives into programs and policies of the State itself to the end that New Jersey citizens shall enjoy optimum economic security and the highest possible standard of living; to assist in coordinating authority, regulation and planning by the State in matters related to the economy.

C. 52:27H-3 Definitions.

3. As used in this act:

a. "Commissioner" means the Commissioner of the Department of Commerce and Economic Development.

b. "Department" means the Department of Commerce and Economic Development established by this act.

C. 52:27H-4 Department of Commerce and Economic Development; establishment.

4. There is established in the Executive Branch of the State Government a principal department which shall be known as the Department of Commerce and Economic Development.

C. 52:27H-5 Commissioner; appointment; term; salary; vacancy.

5. The administrator and chief executive officer of the department shall be a commissioner, who shall be known as the Commissioner of Commerce and Economic Development, and who shall be a person qualified by training and experience to perform the duties of his office. The commissioner shall be appointed by the Governor, with the advice and consent of the Senate, and shall serve at the pleasure of the Governor during the Governor's term of office and until the appointment and qualification of the commissioner's successor. He shall devote his entire time to the duties of the office and shall receive such salary as shall be provided by law. Any vacancy occurring in the office of the commissioner shall be filled in the same manner as the original appointment.

C. 52:27H-6 Powers and duties of commissioner.

6. The commissioner shall:

a. Administer the work of the department;

b. Appoint and remove officers and other personnel employed within the department, subject to the provisions of Title 11 of the Revised Statutes, and other applicable statutes, except as herein otherwise specifically provided;

c. Have authority to organize and maintain an administrative division and to assign to employment therein such secretarial, clerical and other assistants in the department as his office and the internal operations of the department may require in accordance with Title 11 of the Revised Statutes;

d. Perform, exercise and discharge the functions, powers and duties of the department through such divisions as may be established by this act or otherwise by law;

e. Organize the work of the department in such divisions, not inconsistent with the provisions of this act, and in such bureaus

and other organizational units as he may determine to be necessary for efficient and effective operation;

f. Adopt, issue and promulgate, in the name of the department, pursuant to the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), such rules and regulations as may be authorized by law;

g. Formulate and adopt rules and regulations for the efficient conduct of the work and general administration of the department, its officers and employees;

h. Institute or cause to be instituted such legal proceedings or processes as may be necessary to properly enforce and give effect to any of his powers or duties;

i. Make an annual report to the Governor and to the Legislature of the department's operations, and render such other reports as the Governor shall from time to time request or as may be required by law;

j. Coordinate the activities of the department, and the several divisions and other agencies therein, in a manner designed to eliminate overlapping and duplicative functions;

k. Integrate within the department, so far as practicable, all staff services of the department and of the several divisions and other agencies therein;

l. Have access to all relevant files and records of other State agencies and require any officer or employee therein to provide such information as he may deem necessary in the performance of the functions of the department;

m. Maintain suitable headquarters for the department and such other quarters as he shall deem necessary to the proper functioning of the department; and

n. Perform such other functions as may be prescribed in this act or by any other law.

C. 52:27H-7 Deputy commissioner; appointment; functions; powers and duties.

7. The commissioner shall appoint a deputy commissioner, who shall be designated to perform all of the powers, functions and duties of the commissioner during the absence or disability of the commissioner, and who shall perform such other duties as are assigned by the commissioner. Such appointment shall be subject to the approval of the Governor and shall be filed with the Secretary of State. The deputy commissioner shall be a person qualified by training and experience to perform the duties of the office.

C. 52:27H-8 Responsibilities of department.

8. The department and the commissioner, through the councils, divisions, offices and bureaus shall be responsible for the activities of the State Government in the support and development of business and industry through aid, promotion and advertising of resort facilities, convention bureaus, domestic and foreign commerce and business and industrial growth and related programs. It shall also be responsible for research and statistics in the fields of commerce and industry and maintenance of a business information service.

C. 52:27H-9 Transfer and continuance of Economic Development Council.

9. The Economic Development Council created by P. L. 1965, c. 21 (C. 13:1B–15.75 et seq.), shall be transferred to the department. The chairperson and other members of the Economic Development Council in office on the effective date of this act shall continue in office respectively as members of the council for the duration of the terms for which they were appointed. The council shall provide advice to the commissioner and assist the commissioner in the recommendation of comprehensive policies for the implementation of the functions, powers and duties assigned to the department for the promotion of a healthy business and industrial climate in New Jersey. The council shall consult with and advise the commissioner with respect to the work of the department, hold hearings with respect thereto and report to the commissioner annually, and at such other times as it deems to be in the public interest, with respect to its findings, conclusions and recommendations. The council may, in its discretion, create advisory committees.

C. 52:27H-10 Division of Economic Development; transfer.

10. The Division of Economic Development in the Department of Labor and Industry established pursuant to P. L. 1965, c. 21 (C. 13:1B–15.75 et seq.) is abolished and the employees of this division as it was originally constituted are transferred, pursuant to the "State Agency Transfer Act," P. L. 1971, c. 375 (C. 52:14D–1 et seq.) to the new Division of Economic Development in the Department of Commerce and Economic Development established pursuant to this act.

C. 52:27H-11 Office of Economic Policy; transfer.

11. a. The Office of Economic Policy in the Department of the Treasury, as heretofore established pursuant to P. L. 1966, c. 129 (C. 52:18A–125 et seq.), together with all of its functions, powers,

and duties, is transferred and constituted as the Office of Economic Policy in the Department of Commerce and Economic Development. The members of the Economic Policy Council, the director of the office and all holders of office, position or employment in the Office of Economic Policy and all appropriations made to the office are transferred to the Department of Commerce and Economic Development. The Commissioner of Commerce and Economic Development shall succeed to all the powers and duties of the State Treasurer in connection with the Office of Economic Policy.

b. The Economic Policy Council and the Office of Economic Policy shall continue to meet periodically with the Governor and Legislature and present to them their independent evaluation of the State of New Jersey economy and recommend policies to embrace the economy's continuing growth and improvement. To the extent possible, the Office of Economic Policy shall assist the Office of Economic Research in the performance of its duties and functions.

C. 52:27H-12 Economic Development Authority; transfer.

12. The New Jersey Economic Development Authority in the Department of Labor and Industry, established pursuant to P. L. 1974, c. 80 (C. 34:1B–1 et seq.), together with all its functions, powers, and duties, is continued and transferred to the Department of Commerce and Economic Development. This shall not affect the terms of office of the present members of the authority.

13. Section 4 of P. L. 1974, c. 80 (C. 34:1B–4) is amended to read as follows:

C. 34:1B-4 New Jersey Economic Development Authority; composition; membership; terms; vacancies; alternate members; oath of office; officers and employees; bond; compensation; dissolution; minutes; annual report; audit of records; conflict of interest.

4. a. There is hereby established in, but not of, the Department of Commerce and Economic Development a public body corporate and politic, with corporate succession, to be known as the "New Jersey Economic Development 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 this act shall be deemed and held to be an essential governmental function of the State.

b. The authority shall consist of the Commissioner of Commerce and Economic Development, the Commissioner of Labor and Industry, the Commissioner of Environmental Protection, the Commissioner of Community Affairs, and the State Treasurer, who

shall be members ex officio, and four members appointed by the Governor with the advice and consent of the Senate for terms of 3 years, provided 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, and 3 years respectively. The fourth citizen member first appointed shall serve for a 3-year term except that the fourth member shall be appointed so that the term of his membership does not coincide with that of any other citizen member. 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. In the event the authority shall by resolution determine to accept the declaration of an urban growth zone by any municipality, the mayor or other chief executive officer of such municipality shall ex officio be a member of the authority for the purpose of participating and voting on all matters pertaining to such urban growth zone.

The Governor shall appoint with the advice and consent of the Senate, three alternate members of the authority for terms of 3 years. At the time of appointment, the Governor shall designate a first alternate, second alternate and third alternate. In the event that a member of the authority, other than an ex officio member, is unable to attend all or any portion of a meeting of the authority, or is for any reason unable to perform the duties and responsibilities of a member of the authority for a temporary period, the chairman may authorize an alternate member, in order of designation, to exercise all of the powers, duties and responsibilities of such member, including, but not limited to, the right to vote on matters before the authority.

Each alternate member shall hold office for the term of his appointment and until his successor shall have been appointed and qualified. An alternate member shall be eligible for reappointment. Any vacancy in the alternate 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. Any reference to a member of the authority in this act shall be deemed to include alternate members unless the context indicates otherwise.

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 Commissioner of Commerce and Economic Development shall be the chairman of the authority. The members of the authority shall elect from their remaining number a vice chairman and a treasurer thereof. The authority shall employ an executive director who shall be its secretary and chief executive officer. 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 five 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 of the authority shall execute a bond to be conditioned upon the faithful performance of the duties of such member 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 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 until 10 days, Saturdays, Sundays, and public holidays excepted, after such copy of the minutes shall have been so delivered unless during such 10-day period the Governor shall approve the same in which case such action shall become effective upon such approval. If, in said 10-day period, the Governor returns such copy of the minutes with veto of any action taken by the authority or any member thereof at such meeting, such action shall be null and void and of no effect. The powers conferred in this subsection 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 subsection 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.

j. On or before March 31 in each year, the authority shall make an annual report of its activities for the preceding calendar year to the Governor and the Legislature. Each such report shall set forth a complete operating and financial statement covering the authority's 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 cause a copy thereof to be filed with the Secretary of State and the Comptroller of the Treasury.

k. The Comptroller of the Treasury and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts, books and records of the authority, including its receipts, disbursements, contracts, sinking funds, investments and any other matters relating thereto and to its financial standing.

l. No member, officer, employee or agent of the authority shall be interested, either directly or indirectly, in any project or in

any contract, sale, purchase, lease or transfer of real or personal property to which the authority is a party.

C. 52:27H-13 South Jersey Port Corporation; transfer.

14. The South Jersey Port Corporation in the Department of Labor and Industry, established pursuant to P. L. 1968, c. 60 (C. 12:11A–1 et seq.), together with all its functions, powers and duties, is continued and transferred to the Department of Commerce and Economic Development. This shall not affect the terms of office of the present members of the corporation. The members of the corporation shall continue to be appointed as provided by existing law.

C. 52:27H-14 New Jersey Motion Picture and Television Development Commission; transfer.

15. The New Jersey Motion Picture and Television Development Commission in the Department of Labor and Industry, established pursuant to P. L. 1977, c. 44 (C. 34:1B–22 et seq.), together with all its powers, functions and duties, is continued and transferred to the Department of Commerce and Economic Development. This act shall not affect the terms of office of the present members of the commission. The members of the commission shall continue to be appointed as provided by existing law, except that the Commissioner of Commerce and Economic Development shall also serve as an ex officio member of the commission.

C. 52:27H-15 Division of Travel and Tourism; transfer.

16. The Division of Travel and Tourism in the Department of Labor and Industry, established pursuant to P. L. 1977, c. 225 (C. 34:1A–45 et seq.), together with all its powers, functions and duties, is continued and transferred to the Department of Commerce and Economic Development. This act shall not affect the terms of office of the present members of the Tourism Advisory Council in the Division of Travel and Tourism and the members of the commission shall continue to be appointed as provided by existing law.

C. 52:27H-16 Office for Promoting Technical Innovation; transfer.

17. The Office for Promoting Technical Innovation in the Department of Labor and Industry, established pursuant to P. L. 1977, c. 429 (C. 34:1A–64 et seq.), together with all its powers, functions and duties, is continued and transferred to the Department of Commerce and Economic Development. This act shall not affect the terms of office of the present members of the Technical Advisory Board in the Office for Promoting Technical Innovation and the

members of the board shall continue to be appointed as provided by existing law.

C. 52:27H-17 Office of Economic Research, Division of Economic Development, Division of International Trade; establishment.

18. There is established in the department an Office of Economic Research, a Division of Economic Development, and a Division of International Trade.

C. 52:27H-18 Office of Economic Research; powers and duties.

19. The Office of Economic Research shall:

a. Study trends and developments in the industries of the State and analyze the reasons underlying such trends; study costs and other factors affecting successful operation of businesses within the State; and make recommendations regarding circumstances promoting or hampering business and industrial development;

b. Investigate and study conditions affecting New Jersey business, industry, and commerce, and collect and disseminate information, and engage in technical studies, statistical research, and educational activities necessary or useful in promoting and developing New Jersey business, industry, and commerce, both within and outside the State;

c. Develop an effective business information service both for the direct assistance of industry of the State and for the encouragement of industries outside the State to use business facilities within the State;

d. Serve as a clearinghouse for business and industrial problems of the State;

e. Collect and disseminate information related to population, housing trends and needs and serve as a clearinghouse for the exchange of information on the condition and needs of the housing industry of the State;

f. Provide information to existing and proposed small business ventures relative to organization, financing, regulation and compliance with government regulations;

g. Develop and make available, periodically, indices and other information relating to current business conditions;

h. Make recommendations to the Economic Development Council from time to time, for the remedy or improvement of any conditions, and for the elimination of any restrictions and burdens imposed by law, or otherwise existing, which adversely affect or retard the development and expansion of business and industry.

i. The functions, duties, records, property and personnel of the economic development research activity, now located in the

Office of Economic Research in the Division of Planning and Research in the Department of Labor and Industry, are transferred to the Office of Economic Research in the Department of Commerce and Economic Development.

C. 52:27H-19 Director; appointment; functions.

20. The Office of Economic Research shall be under the immediate supervision of a director, who shall be a person qualified by training and experience to direct the work of such division. The director of such division shall be appointed by the commissioner and shall serve at the pleasure of the commissioner.

The director shall administer the work of such division under the direction and supervision of the commissioner, and shall perform such other functions of the department as the commissioner may prescribe.

C. 52:27H-20 Division of Economic Development; powers and duties.

21. The Division of Economic Development shall:

a. Promote and encourage the location and development of new business, industry, and commerce in the State as well as the maintenance and expansion of existing business, industry, and commerce;

b. Promote and encourage the expansion and development of markets for products and services of New Jersey businesses and industries;

c. Conduct or encourage research designed to further new and more extensive uses of the resources of the State, and designed to develop new products and industrial processes;

d. Cooperate with business service organizations, utility companies, railroads, financial institutions and similar groups and agencies actively engaged in economic development within the State and plan its program of work to supplement and support the programs of such voluntary private organizations and agencies;

e. Advise and cooperate with municipal, county, regional and other local agencies and officers within the State, to provide guidance and assistance, when requested, in their efforts toward economic development of their respective areas, and to assist them to make an effective selection of economic promotional activities best suited to their potentialities and needs;

f. Cooperate with other State and interstate agencies engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry and commerce;

g. Investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interests and welfare of New Jersey business and industry within and outside the State.

C. 52:27H-21 Director; qualifications; appointment; functions.

22. The Division of Economic Development shall be under the immediate supervision of a director, who, prior to his appointment, shall be qualified by responsible work in economic development activities or its equivalent in training and experience. The director of such division shall be appointed by the commissioner and shall serve at the pleasure of the commissioner.

The director shall administer the work of such division under the direction and supervision of the commissioner, and shall perform such other functions of the department as the commissioner may prescribe.

C. 52:27H-22 Division of International Trade; powers and duties; director; qualifications; appointment; term.

23. There is established in the department a Division of International Trade. The Division of International Trade shall:

a. Encourage and promote foreign investment in New Jersey by establishing and maintaining contact with representatives of foreign governments and businesses, and providing information on the benefits of investing in New Jersey;

b. Encourage and promote the expansion and development of foreign export markets for products and services of New Jersey businesses and industries by providing information and assistance to those New Jersey companies wishing to penetrate foreign markets;

c. The Division of International Trade shall be under the immediate supervision of a director, who prior to appointment shall be qualified by responsible work in economic development and international trade activities or its equivalent in training and experience. The director of such division shall be appointed by the commissioner and shall serve during the term of office of the appointing commissioner and until such time a successor is appointed.

C. 52:27H-23 Assistance to department from other agencies of government.

24. The department shall, to the maximum practicable extent, utilize consolidated statistical services and data processing facilities so that unnecessary duplication will be avoided. To that end, it is directed that the commissioner, the Commissioner of Labor and

Industry and the Director of the Division of Budget and Accounting shall, from time to time, cooperatively determine and agree upon the nature and extent of assistance and services to be provided the department by the Division of Planning and Research and the Division of Systems and Communications in the Department of Labor and Industry so as to meet the requirements of the department necessary to the reasonable exercise of its powers and the fulfillment of its functions and duties as set forth in this act.

Repealer.

25. Sections 1 through 8 and 12 of P. L. 1965, c. 21 (C. 13:1B–15.75 to 13:1B–15.82 and 13:1B–15.83) are repealed.

C. 52:27H-24 Report to Legislature and Governor; contents.

26. Within 6 months of the effective date of this act, the commissioner, after consultation with all division directors, the State Treasurer and the commissioners of appropriate executive departments, including but not necessarily limited to the Departments of Labor and Industry and Environmental Protection shall prepare and submit a report to the Legislature and the Governor identifying (1) those functions and duties currently exercised by other departments, divisions, agencies, commissions, councils, boards or bureaus of State Government relating to commerce and economic development that might be appropriately transferred to the department; and (2) those functions and duties transferred to the department pursuant to the provisions of this act that might be appropriately transferred to other departments. Such transfers may be effectuated by executive order or law, as the case may be.

C. 52:27H-25 Review of agencies transferred.

27. a. Within 6 months following the effective date of this act, the commissioner of the department in consultation with the Commissioner of Labor and Industry shall jointly review the operations, personnel and staff organization of those agencies transferred from the Department of Labor and Industry to the Department of Commerce and Economic Development and, with the approval of the Department of Civil Service and the Division of Budget and Accounting, establish a plan, if such is needed, for reorganization and transfer of personnel.

b. Nothing in this section shall be construed to deprive employees of any rights or protections provided by Civil Service (Title 11) or the pension and retirement laws of this State.

C. 52:27H-26 Applicability of State Agency Transfer Act.

28. The transfers directed by this act, except as otherwise provided herein, shall be made in accordance with the "State Agency Transfer Act", P. L. 1971, c. 375 (C. 52:14D–1 et seq.).

C. 34:1A-1.1 Department of Labor; change of name from Department of Labor and Industry.

29. On the effective date of this act the Department of Labor and Industry established pursuant to P. L. 1948, c. 446 (C. 34:1A–1 et seq.) shall be entitled and known as the Department of Labor and whenever in any law, rule, regulation, order, contract, document, judicial or administrative proceeding or otherwise, reference is made to the Department of Labor and Industry, the same shall mean and refer to the Department of Labor.

C. 52:27H-27 Appropriation.

30. In addition to the funds transferred to the department by this act, there is appropriated the sum of $250,000.00, or so much thereof as may be necessary, from the Unemployment Compensation Auxiliary Fund established pursuant to R. S. 43:21–14(g) to be allocated for the implementation of this act, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury.

C. 52:27H-28 Inconsistent acts superseded.

31. All acts and parts of acts inconsistent with the provisions of this act are superseded.

32. This act shall take effect immediately.

Approved April 16, 1981.

CHAPTER 123

AN ACT concerning the charter of the Medical Society of New Jersey and amending sections 45:9–56, 45:9–57 and 45:9–58 of the Revised Statutes.

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

1. R. S. 45:9–56 is amended to read as follows:

Continuance of Medical Society of New Jersey.

45:9–56. The Medical Society of the State of New Jersey, already incorporated by the style and name of "the Medical Society of New Jersey," shall continue to be a body corporate and politic, in fact and in name, and shall and may have and use a common seal, which it may alter at pleasure, and said society shall be composed of delegates chosen in accordance with its duly adopted bylaws by and from each of the county, specialty, or other societies, which now are, or which under the authority of said society may be hereafter instituted. The officers for the time being shall be ex officio members of said society, independently of the authority of delegation. All persons who may have been or may hereafter be presidents of the society shall rank as fellows, and be entitled to all the privileges of delegate members.

2. R. S. 45:9–57 is amended to read as follows:

Membership; qualifications.

45:9–57. No one shall be admitted to membership in any county, specialty, or other society having connection with this society, unless he shall have received said degree of doctor of medicine, or been admitted ad cardem from some other medical authorities which this society shall deem proper to recognize.

3. R. S. 45:9–58 is amended to read as follows:

Society's powers.

45:9–58. The society shall have power to prescribe the duties of its officers and members, fix their compensation, assess from time to time an annuity upon the county, specialty, or other societies and adopt such rules and regulations for the management of the concerns of this and the several societies as may be deemed necessary, which rules and regulations shall not be contrary to the laws of this State, and it may hold any estate, real and personal.

4. This act shall take effect immediately.

Approved April 24, 1981.

CHAPTER 124

AN ACT providing equal employment opportunities in the State Government and supplementing Title 11 of the Revised Statutes.

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

C. 11:2D-1 Definitions.

1. As used in this act:

a. "State agency" means any department, division, office, agency or bureau of this State, or any authority or instrumentality thereof.

b. "Head" means the person representing the highest authority within a State agency.

C. 11:2D-2 Equal employment opportunity and other innovative personnel policies.

2. The head of each State agency shall ensure equality of opportunity for all of its employees and for all applicants seeking employment within its jurisdiction. Equal employment opportunity includes, but is not limited to, the following areas: recruitment, selection, hiring, training, promotion, transfer, layoff, return from layoff, compensation and fringe benefits. Equal employment opportunity further includes policies, procedures, and programs for recruitment, employment, training, promotion, and retention of minority and physically handicapped persons and women.

The head of each State agency shall explore innovative personnel policies in order to enhance these efforts and where appropriate shall implement them to the full extent of his authority. Where the implementation of innovative personnel policies is not within the authority of an agency head he shall recommend implementation to the appropriate State agency.

C. 11:2D-3 Division of Equal Employment Opportunity and Affirmative Action; director; term.

3. The Division of Equal Employment Opportunity and Affirmative Action created by Executive Order No. 61 of 1977 is constituted the Division of Equal Employment Opportunity and Affirmative Action in the Department of Civil Service. The division shall have all of the powers and shall exercise all of the functions and duties set forth in this act, subject to the supervision and control of the President of the Civil Service Commission. The person in office

as director of the division on the effective date of this act shall hold the office of director of the division established hereunder at the pleasure of the Governor and until any successor is appointed and shall qualify. The constitution of the division shall be deemed a transfer in accordance with the provisions of the "State Agency Transfer Act," P. L. 1971, c. 375 (C. 52:14D–1 et seq.).

C. 11:2D-4 Program for all State agencies.

4. The Division of Equal Employment Opportunity and Affirmative Action shall develop, implement, and administer a statewide equal employment opportunity and affirmative action program for all State agencies. The program shall consider the particular personnel requirements, reasonably related to job performance, of each State agency. The director of the division shall ensure that the affirmative action and equal employment goals of each State agency for protected classes shall be reasonably related to their population in the relevant surrounding labor market area. The director, in accordance with applicable Federal and State guidelines, shall:

a. Ensure each State agency's compliance with all laws and regulations in areas relating to equal employment opportunity, and seek correction of discriminatory practices and procedures;

b. Recommend appropriate sanctions for noncompliance to the President of the Civil Service Commission who, with the concurrence of the Governor, is authorized to implement those sanctions recommended by the director;

c. Review State personnel policies and procedures, inclusive of recruitment, selection, and promotion in order to identify and facilitate the elimination of artificial barriers to equal employment opportunity;

d. Act as liaison with Federal, State, and local enforcement agencies; and

e. Recommend any necessary legislation and perform other actions deemed necessary by the President of the Civil Service Commission to implement this act.

C. 11:2D-5 Equal employment and affirmative action goals.

5. The Department of Civil Service shall establish reasonable equal employment and affirmative action goals for State agencies in the form of Civil Service regulations.

C. 11:2D-6 Division's powers and duties.

6. The Department of Civil Service, through the Division of Equal Employment Opportunity and Affirmative Action, shall:

a. Ensure that the pool of applicants for all vacant provisional, temporary, and permanent classified and unclassified positions in all State agencies includes both minorities, the handicapped, and women to the end that affirmative action goals are attainable through agency selection decisions on those applicants;

b. Undertake a comprehensive review of its regulations and testing procedures in order to amend or eliminate those which serve to discriminate against minorities, the physically handicapped, and women;

c. Ensure that selection devices are validated as significant predictors of successful job performance;

d. Analyze job specifications to isolate and eliminate prerequisites that are not legitimate occupational qualifications;

e. Review all discrimination complaints under Title VII of the Civil Rights Act of 1964, P. L. 88–352, evaluate trends, and recommend appropriate policy changes;

f. Receive, analyze, and transmit to the Governor at least semiannually progress reports on affirmative action in all State agencies; and

g. Make available to the public statistics relating to affirmative action progress.

C. 11:2D-7 Affirmative action officer; appointment.

7. The head of each State agency shall appoint at least one person with the full-time responsibility for equal employment opportunity, as the affirmative action officer who shall be responsible to the division.

C. 11:2D-8 Accountability of heads of State agencies.

8. The head of each State agency shall be accountable to the Governor for achieving and maintaining agency compliance in the affirmative action program.

C. 11:2D-9 Affirmative action plans; objectives; timetables; sanctions for failure to achieve goals; citation by Governor for outstanding results.

9. a. Each State agency shall submit an affirmative action plan, with goals and timetables, plus quarterly and annual affirmative action reports to the director. Each affirmative action plan shall identify existing inequities in hiring, promotion, and all other conditions of employment and provide specific remedies for these inequities and establish the time periods for the accomplishment of remedial action. Each State agency shall make good faith efforts to meet its goals and timetables.

b. If there is a failure by a State agency to achieve its goals, or to demonstrate good faith efforts, appropriate sanctions and penalties may be imposed by the Department of Civil Service in accordance with Federal and State regulations, subject to the concurrence of the Governor and the President of the Civil Service Commission. These sanctions may include, but are not limited to placing a moratorium on departmental personnel actions in both the unclassified and classified services, and such other sanctions as may be allowed by law.

c. State agencies which achieve outstanding affirmative action results shall be cited by the Governor for their efforts.

C. 11:2D-10 Advisory commission; membership; appointment; terms; vacancies; meetings.

10. There is created an Equal Employment Opportunity Advisory Commission which shall advise the Division of Equal Employment Opportunity and Affirmative Action and recommend improvements in the State's affirmative action efforts.

The commission shall consist of 11 members appointed by the Governor at least six of whom shall be blacks, Hispanics, physically handicapped, women and other minority persons. Consideration shall be given to appropriate representation of each group. The remaining members of the commission may be comprised of State agency heads or their designated representatives. All members of the commission shall be residents of the State. Members shall be appointed for terms of 4 years, except that of the members first appointed, two shall be appointed for a term of 1 year, three for a term of 2 years, three for a term of 3 years, and three for a term of 4 years, commencing as of the date of their appointment by the Governor. The term of each of the members first appointed shall be designated by the Governor. Each member shall hold office for the term of the appointment and until a successor shall have been appointed. Members may not serve more than two consecutive terms. A vacancy in the membership of the commission shall be filled by appointment by the Governor for the remainder of the term.

The Director of the Division of Equal Employment Opportunity and Affirmative Action shall serve as executive secretary.

The commission shall meet at least quarterly to review implementation of this act.

11. This act shall take effect immediately.

Approved April 24, 1981.

CHAPTER 125

AN ACT concerning the imposition of rate adjustments by certain county and municipal authorities and amending P. L. 1946, c. 138, P. L. 1957, c. 183, P. L. 1948, c. 348 and P. L. 1968, c. 249.

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

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

C. 40:14A-8 Authorization to charge and collect rents, rates, fees or other charges.

8. (a) Every sewerage authority is hereby authorized to charge and collect rents, rates, fees or other charges (in this act sometimes referred to as "service charges") for direct or indirect connection with, or the use or services of, the sewerage system. Such service charges may be charged to and collected from any person contracting for such connection or use or services or from the owner or occupant, or both of them, of any real property which directly or indirectly is or has been connected with the system or from or on which originates or has originated sewage or other wastes which directly or indirectly have entered or may enter the sewerage system, and the owner of any such real property shall be liable for and shall pay such service charges to the sewerage authority at the time when the place where such service charges are due and payable.

(b) Rents, rates, fees and charges, which may be payable periodically, being in the nature of use or service charges, shall as nearly as the sewerage authority shall deem practicable and equitable be uniform throughout the district for the same type, class and amount of use or service of the sewerage system, and may be based or computed either on the consumption of water on or in connection with the real property, making due allowance for commercial use of water, or on the number and kind of water outlets on or in connection with the real property, or on the number and kind of plumbing or sewerage fixtures or facilities on or in connection with the real property, or on the number of persons residing or working on or otherwise connected or identified with the real property, or on the capacity of the improvements on or connected with the real property, or on any other factors determining the type, class and amount of use or service of the sewerage

system, or on any combination of any such factors, and may give weight to the characteristics of the sewage and other wastes and any other special matter affecting the cost of treatment and disposal thereof, including chlorine demand, biochemical oxygen demand, concentration of solids and chemical composition. In addition to any such periodic service charges, a separate charge in the nature of a connection fee or tapping fee, in respect of each connection of any property with the sewerage system may be imposed upon the person making such connection or upon the owner or occupant of the property so connected. Such connection charges shall be uniform within each class of users but the amount thereof shall otherwise be entirely within the discretion of the authority in order that the combination of such connection fee or tapping fee and the aforesaid periodic service charges shall meet the requirements of subsection (c) hereof; provided, however, that in assessing any such connection charges, the sewerage authority shall give credit in every instance to the owner or occupant of any property wherein or whereon any action or improvement has been taken or effectuated, in accordance with such reasonable specifications as may be prescribed by the sewerage authority, which results in a reduction of the costs actually incurred by the sewerage authority in making such connection below such costs actually incurred in making such connections to property wherein or whereon no such action or improvement has been taken or effectuated. The amount of any such credit shall be equal to the percentage difference between the costs actually incurred by the sewerage authority in making such connection to a property wherein or whereon such an action or improvement has been taken or effectuated, and the average during the immediately preceding year of such costs actually incurred by the sewerage authority in making such connections to property wherein or whereon no such action or improvement has been taken or effectuated.

(c) The sewerage authority shall prescribe and from time to time when necessary revise a schedule of such service charges, which shall comply with the terms of any contract of the sewerage authority and in any event shall be such that the revenues of the sewerage authority will at all times be adequate to pay all expenses of operation and maintenance of the sewerage system, including reserves, insurance, extensions, and replacements, and to pay punctually the principal of and interest on any bonds and to maintain such reserves or sinking funds therefor as may be required by the terms of any contract of the sewerage authority or as may

be deemed necessary or desirable by the sewerage authority. Said schedule shall thus be prescribed and from time to time revised by the sewerage authority after public hearing thereon which shall be held by the sewerage authority at least 7 days after publication of notice of the proposed adjustment of the service charges and of the time and place of the public hearing in at least two newspapers of general circulation in the area serviced by the authority. The sewerage authority shall provide evidence at the hearing showing that the proposed adjustment of the service charges is necessary and reasonable, and shall provide the opportunity for cross-examination of persons offering such evidence, and a transcript of the hearing shall be made and a copy thereof shall be available upon request to any interested party at a reasonable fee. The sewerage authority shall likewise fix and determine the time or times when and the place or places where such service charges shall be due and payable and may require that such service charges shall be paid in advance for periods of not more than 1 year. A copy of such schedule of service charges in effect shall at all times be kept on file at the principal office of the sewerage authority and shall at all reasonable times be open to public inspection.

(d) Any county sewerage authority may establish sewerage regions in portions of the district. Rents, rates, fees and charges which may be payable periodically, being in the nature of use or service charges, shall as nearly as the sewerage authority shall deem practical and equitable, be uniform throughout the district for the same type, class and amount of use or service of the sewage systems and shall meet all other requirements of subsection (b) hereof.

2. Section 23 of P. L. 1957, c. 183 (C. 40:14B–23) is amended to read as follows:

C. 40:14B-23 Schedule of service charges; hearing.

23. Every municipal authority shall prescribe and from time to time when necessary revise a schedule of all its service charges, which may provide a single rent, rate, fee or charge for any of its utility charges and which shall comply with the terms of any contract of the municipal authority and may be such that the revenues of the municipal authority will at all times be adequate to pay the expenses of operation and maintenance of the utility system, including reserves, insurance, extensions, and replacements, and to pay the principal of and interest on any bonds and to maintain such reserves or sinking funds therefor as may be required by the

terms of any contract of the municipal authority or as may be deemed necessary or desirable by the municipal authority. Said schedule shall thus be prescribed and from time to time revised by the municipal authority after public hearing thereon which shall be held by the municipal authority at least 7 days after publication of notice of the proposed adjustment of the service charges and of the time and place of the public hearing in at least two newspapers of general circulation in the area serviced by the authority. The municipal authority shall provide evidence at the hearing showing that the proposed adjustment of the service charges is necessary and reasonable, and shall provide the opportunity for cross-examination of persons offering such evidence, and a transcript of the hearing shall be made and a copy thereof shall be available upon request to any interested party at a reasonable fee. The municipal authority shall likewise fix and determine the time or times when and the place or places where such service charges shall be due and payable and may require that such service charges shall be paid in advance for periods of not more than 1 year. A copy of such schedule of service charges in effect shall at all times be kept on file at the principal office of the municipal authority and shall at all reasonable times be open to public inspection.

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

C. 40:66A-8 Service charges.

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

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

(c) The incinerator authority shall prescribe and from time to time when necessary revise and schedule of such service charges, which in any event shall be such that the revenues of the incinerator authority will at all times be adequate to pay all expenses of operation and maintenance of the garbage disposal system, including reserves, insurance, extensions, and replacements, and to pay punctually the principal of and interest on any bonds and to maintain such reserves or sinking funds therefor as may be required by

the terms of any contract of the incinerator authority. Said schedule shall thus be prescribed and from time to time revised by the incinerator authority after public hearing thereon which shall be held by the incinerator authority at least 7 days after publication of notice of the proposed adjustment of the service charges and of the time and place of the public hearing in at least two newspapers of general circulation in the area serviced by the authority. The incinerator authority shall provide evidence at the hearing showing that the proposed adjustment of the service charges is necessary and reasonable, and shall provide the opportunity for cross-examination of persons offering such evidence, and a transcript of the hearing shall be made and a copy thereof shall be available upon request to any interested party at a reasonable fee. The incinerator authority shall likewise fix and determine the time or times when and the place or places where such service charges shall be due and payable and may require that such service charges shall be paid in advance for periods of not more than 1 year. A copy of such schedule of service charges in effect shall at all times be kept on file at the principal office of the incinerator authority and shall at all reasonable times be open to public inspection.

4. Section 8 of P. L. 1968, c. 249 (C. 40:66A–41) is amended to read as follows:

C. 40:66A-41 Rents, rates, fees or other charges.

8. Rents, rates, fees or other charges. (a) Every solid waste management authority is hereby authorized to charge and collect rents, rates, fees or other charges (in this act sometimes referred to as ''service charges'') for the services and facilities of the garbage and solid wastes disposal system.

(b) Such rents, rates, fees and charges, being in the nature of use or service charges, shall as nearly as the solid waste management authority shall deem practicable and equitable be uniform throughout the district for the same type, class and amount of use or service of the garbage and solid wastes disposal system.

(c) The solid waste management authority shall prescribe and from time to time when necessary revise the schedule of such service charges, which in any event shall be such that the revenues of the solid waste management authority will at all times be adequate to pay all expenses of operation and maintenance of the garbage and solid wastes disposal system including reserves, insurance, extensions, and replacements, and to pay punctually the principal of and interest on any bonds and to maintain such re-

serves or sinking funds therefor as may be required by the terms of any contract of the solid waste management authority. Said schedule shall thus be prescribed and from time to time revised by the solid waste management authority after public hearing thereon which shall be held by the solid waste management authority at least 7 days after publication of notice of the proposed adjustment of the service charges and of the time and place of the public hearing in at least two newspapers of general circulation in the area serviced by the authority. The solid waste management authority shall provide evidence at the hearing showing that the proposed adjustment of the service charges is necessary and reasonable, and shall provide the opportunity for cross-examination of persons offering such evidence, and a transcript of the hearing shall be made and a copy thereof shall be available upon request to any interested party at a reasonable fee. The solid waste management authority shall likewise fix and determine the time or times when and the place or places where such service charges shall be due and payable and may require that such service charges shall be paid in advance for periods of not more than 1 year. A copy of such schedule of service charges in effect shall at all times be kept on file at the principal office of the solid waste management authority and shall at all reasonable times be open to public inspection. It is the purpose of this subsection that the rates fixed from time to time shall produce revenue not in excess of an amount sufficient to provide for all expenses of operation and maintenance of the authority, and to provide for interest, sinking fund and amortization. Any surplus which may accrue to the authority, however, for any reason whatsoever shall be retained by the authority to reduce its rates to the extent such surplus may justify, and to increase the quality and efficiency of its operations.

5. This act shall take effect immediately.

Approved April 27, 1981.

CHAPTER 126

AN ACT concerning county police departments, and amending N. J. S. 40A:14–106 N. J. S. 40A:14–107 and P. L. 1978, c. 69, supplementing chapter 14 of Title 40A of the New Jersey Statutes.

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

1. N. J. S. 40A:14–106 is amended to read as follows:

County police department; officers and employees.

40A:14–106. The governing body of any county, adopting rules for the regulation of traffic upon the county highways and roads and for the enforcement of laws pertaining thereto, by ordinance or resolution, as appropriate, may create and establish a county police department and force and provide for its maintenance, regulation and control. Except as otherwise provided by law, the governing body may appoint a chief of the department and such other members, officers and personnel as shall be deemed necessary, determine their terms of office, fix their compensation and prescribe their powers, functions and duties. The governing body shall adopt and promulgate rules and regulations for the government of the department and force and for the discipline of its members.

2. Section 2 of P. L. 1978, c. 69 (C. 40A:14–106.1) is amended to read as follows:

C. 40A:14-106.1 Authorization to exercise police powers and duties.

2. The governing body of any first or second class county according to the 1970 Federal census may, by ordinance or resolution, as appropriate, provide that the county police department and force shall have general authority, without limitation, to exercise police powers and duties as generally provided by law for police officers and law enforcement officers.

C. 40A:14-106.2 Training of officers.

3. (New section) All county police departments granted general authority shall provide the same training for their officers as is provided for regular municipal police officers, and no county police officer shall operate under a grant of general authority unless and until he has received such training.

C. 40A:14-106.3 Applicability of certain State statutes to county park police; powers of governing body of county.

4. (New section) Except as specifically provided, nothing contained in N. J. S. 40A:14–106 through N. J. S. 40A:14–117 shall apply to any county park police department or system, or the officers thereof, established pursuant to R. S. 40:37–154, R. S. 40:37–202, P. L. 1976, c. 90 (C. 40:32–2.6 et seq.), P. L. 1962, c. 120 (C. 40:37–95.40 et seq.), P. L. 1960, c. 135 (C. 40:37–261 et seq.), or

any other law; but nothing contained in this act shall be construed to limit the power of the governing body of any county which has adopted the "Optional County Charter Law" (P. L. 1972, c. 154; C. 40:41A–1 et seq.) to reorganize its structure, pursuant to section 30 of P. L. 1972, c. 154 (C. 40:41A–30), including, but not limited to, the conversion of any county park police system previously established into a county police department under N. J. S. 40A:14–106 through N. J. S. 40A:14–117. No member of a county park police system which has been converted into a county police department pursuant to this law shall operate under a grant of general authority unless and until he has received the training required of regular municipal police officers.

5. N. J. S. 40A:14–107 is amended to read as follows:

Enforcement powers.

40A:14–107. The members and officers of a county police department and force, in addition to any and all other powers prescribed by law, shall have the power to enforce:

(1) All rules and regulations made and promulgated by the governing body of the county governing the use of by the public, and the welfare of the public on, county highways and roads;

(2) All provisions of chapter 171 (Sunday observances) of Title 2A of the New Jersey Statutes;

(3) All provisions of Title 39 (Motor Vehicles and Traffic Regulation) of the Revised Statutes;

(4) All provisions of Title 2C of the New Jersey Statutes; and

(5) All rules and regulations made and promulgated by the governing body of the county respecting the general health, safety and welfare of the public within the territorial limits of the county.

The said members and officers have authority to arrest for the commission of any crime anywhere in the county of their appointment; they shall also have full authority to arrest for any crimes committed in their presence which are committed anywhere within the territorial limits of the State of New Jersey.

6. This act shall take effect immediately.

Approved April 27, 1981.

CHAPTER 127

A SUPPLEMENT to the "Franchise Practices Act," approved December 21, 1971 (P. L. 1971, c. 356, C. 56:10–1 et seq.).

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

C. 56:10-7.1 Violations.

1. a. It shall be a violation of the act to which this act is a supplement for any franchisor, directly or indirectly, through any officer, agent, or employee, to prohibit any franchisee engaged in the retail sale of motor gasoline from purchasing any suitable alternate motor fuel from whatever authorized source that it is avaliable; to reduce allocations of motor gasoline to any franchisee because of the purchase by the franchisee of an alternate motor fuel; or to prohibit the use of franchisor issued credit cards to purchase a suitable alternate motor fuel; provided that:

(1) The franchisee has shown that reasonable efforts to secure adequate supplies of the alternate motor fuel from the franchisor have failed;

(2) The franchisee continues to meet all other terms and conditions of the franchise agreement;

(3) The franchisee shall adequately inform consumers of the alternate motor fuel of the change in type or trade name with reasonable labeling of pumps dispensing the alternate motor fuel to indicate, where appropriate, that such alternate motor fuel is not manufactured, distributed, or sold by such franchisor.

b. As used in this section, "alternate motor fuel" means diesel fuel or any liquid which is the product of the combination of motor gasoline and any other liquid or gaseous substance which is not derivative of petroleum, and which is used for the purpose of operating a mechanical device powered by internal combustion.

2. This act shall take effect immediately.

Approved April 27, 1981.

CHAPTER 128

A SUPPLEMENT to the "Pension Adjustment Act," approved September 14, 1969 (P. L. 1969, c. 169, C. 43:3B–1 et seq.).

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

1. Notwithstanding any provisions of the act to which this act is a supplement to the contrary, for the 1981-1982 fiscal year, the percentage of adjustment in the monthly retirement allowance or pension of an eligible retirant and the pension or survivorship benefit of an eligible beneficiary for purposes of P. L. 1969, c. 169 (C. 43:3B–1 et seq.) shall be two-thirds of the percentum of change.

2. To facilitate the implementation of this act the following shall apply:

a. The application of the two-thirds of the percentum of change shall be for purposes of monthly payments made during the period July 1, 1981 to June 30, 1982 inclusive;

b. Any increase in cost to employers other than the State by reason of this supplementary act shall be paid in the manner prescribed in section 4 of P. L. 1969, c. 169 (C. 43:3B–4), except that certification by the Director of the Division of Pensions of amounts due from those employers shall include any increase in cost attributable to this supplementary act, and no demand for earlier payment of those increased costs shall be made than prescribed in section 4 of P. L. 1969, c. 169 (C. 43:3B–4).

c. The Director of the Division of Pensions shall not make any change in the calculation of the index or otherwise except to apply the percentum of change in section 1 of this supplementary act.

3. The provisions of P. L. 1969, c. 169 (C. 43:3B–1 et seq.) shall apply except as specifically set forth in this supplementary act.

4. This act shall take effect July 1, 1981, except that all actions necessary to implement this act may be taken prior to that date.

Approved April 27, 1981.

CHAPTER 129

AN ACT requiring the filing of financial disclosure statements by candidates for the office of Governor and for the Legislature and supplementing Title 19 of the Revised Statutes.

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

C. 19:44B-1 Definitions.

1. As used in this act:

a. "Gift" means any money or thing of value received other than as income, and for which a consideration of equal or greater value is not received, but does not include any political contribution reported as otherwise required by law, any loan made in the ordinary course of business, or any devise, bequest, intestate estate distribution or principal distribution of a trust or gift received from a member of a person's household or from a relative within the third degree of consanguinity of the person or his spouse, or from the spouse of that relative;

b. "Income" means any money or thing of value received, or to be received, as a claim on future services, whether in the form of a fee, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of recompense, or any combination thereof;

c. "Member of household" means the spouse of a candidate for the office of Governor or of a candidate for the Senate or General Assembly residing in the same domicile and any dependent children.

C. 19:44B-2 Financial disclosure statements by candidates; filing.

2. Every candidate for the office of Governor and every candidate for the Senate or General Assembly shall file and certify the correctness of a financial disclosure statement on or before the tenth day following the last day for filing a petition to appear on the ballot, and the financial disclosure statement shall be filed with the Election Law Enforcement Commission in the Department of Law and Public Safety.

C. 19:44B-3 Forms; preparation and transmission.

3. The commission shall prepare and transmit to each candidate for the office of Governor and to each candidate for the Senate

or General Assembly forms for the filing of financial disclosure statements required by this act.

C. 19:44B-4 Financial disclosure statements; contents.

4. Financial disclosure statements shall include the sources of income received from sources other than the State during the preceding calendar year by the candidate and members of his household. Without disclosing the amounts of income, gifts, reimbursements, and holdings, the statements shall include the following:

a. Each of the following categories of earned income totalling more than $1,000.00: salaries, bonuses, royalties, fees, commissions and profit sharing received as an officer, employee, partner or consultant of a named corporation, professional association, partnership or sole proprietorship;

b. Each of the following categories of unearned income totalling more than $1,000.00: rents, dividends and other income received from named investments, trusts and estates;

c. Fees and honorariums totalling more than $100.00 received from named payers for personal appearances, speeches or writings;

d. Reimbursements totalling more than $100.00 for travel, subsistence or facilities provided in kind received from named payers or providers other than the State, any political subdivision thereof, a principal employer, or a nonprofit organization;

e. Gifts having a value totalling more than $250.00 received from named donors; and

f. Ownership, holding, or control of an interest in any land or building in any city in which casino gambling is authorized, which land or building shall be specified.

C. 19:44B-5 Notification by Secretary of State of receipt of petitions from candidates.

5. Upon receipt from any person of a declaration of candidacy or a petition to appear on the ballot for election as Governor or as a member of the Legislature, the Secretary of State shall, within 2 days of the receipt, notify the commission of the name and address of the candidate and the date of the receipt.

C. 19:44B-6 Failure to file; inaccurate statement; penalty.

6. a. A candidate who willfully and knowingly fails or refuses to file a financial disclosure statement on a date prior to the election for which he has filed a declaration of candidacy or a petition to appear on the ballot shall be guilty of a crime of the fourth degree.

b. A candidate who willfully and knowingly files any financial disclosure statement which is false, inaccurate or incomplete in any substantial and material manner or particular, shall be guilty of a crime of the fourth degree.

C. 19:44B-7 Investigation of violations; hearings; action in court; rules and regulations.

7. It shall be the duty of the commission to investigate and conduct hearings with regard to possible violations and impose penalties, to issue subpenas for the production of documents and the attendance of witnesses, and to enforce the provisions of this act in the manner set forth in "The New Jersey Campaign Contributions and Expenditures Reporting Act," P. L. 1973, c. 83 (C. 19:44A–1 et seq.). The commission shall have the authority to initiate a civil action in the Superior Court of New Jersey or in any court of competent jurisdiction for the purpose of enforcing compliance with the provisions of this act or enjoining violations thereof or recovering any penalty prescribed by this act. The commission shall promulgate such regulations and official forms and perform such duties as are necessary to implement the provisions of this act.

C. 19:44B-8 Failure to file reports or other documents; other violations; penalty.

8. a. Any candidate charged with the responsibility under the terms of this act for the filing of any reports or other documents required to be filed pursuant to this act who fails, neglects or omits to file any such report or document at the time and in the manner prescribed by law, or who omits or incorrectly states any of the information required by law to be included in such report or document, shall, in addition to any other penalty provided by law, be liable to a penalty of not more than $1,000.00 for the first offense and not more than $2,000.00 for the second and each subsequent offense.

b. Upon receiving evidence of any violation of this section, the Election Law Enforcement Commission shall have power to hold, or to cause to be held, hearings upon such violation and, upon finding any person to have committed such a violation, to assess such penalty, within the limits prescribed in subsection a. of this section, as it deems proper under the circumstance which penalty shall be paid forthwith into the State Treasury for the general purposes of the State. Such penalty shall be enforceable in a summary proceeding under the "Penalty Enforcement Law" (N. J. S. 2A:58–1 et seq.).

c. In assessing any penalty under this section, the Election Law Enforcement Commission may provide for the remission of all or any part of the penalty conditioned upon the prompt correction of any failure, neglect, error or omission constituting the violation for which the penalty was assessed, provided the correction is made on a date prior to the election for which the candidate has filed a declaration of candidacy or petition to appear on the ballot.

C. 19:44B-9 Availability of statements to public; fee.

9. Financial disclosure statements required to be filed pursuant to this act shall be public records. The commission shall make the statements available to any person upon written request. The statements shall be available for examination and copying during the normal business hours of the commission. No fee shall be charged for the inspection of the statements, but a fee, equal to the cost of copying, may be charged for the use of equipment to copy the statements and a reasonable charge may be imposed for the performance of copying services by personnel of the commission when the person desiring copies requests that assistance.

C. 19:44B-10 Use of statements as evidence.

10. A financial disclosure statement filed pursuant to this act may be used by the commission in the course of its investigation of any alleged violation of provisions of this act and may be produced as evidence in any hearing conducted by the commission concerning a violation.

11. This act shall take effect immediately.

Approved May 1, 1981.

CHAPTER 130

AN ACT prohibiting the extraction or processing of fissionable source material

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

C. 13:1J-1 Legislature's findings and declarations.

1. The Legislature finds and declares that the exploration, mining or milling of fissionable source materials poses a significant danger to the public health, safety and welfare; that the hazards associated

with these activities cannot now be prevented or satisfactorily minimized; that, therefore, unprecedented caution is needed in determining public policy pertaining to the exploration, mining and milling of fissionable source materials; that the prohibition of these activities is necessary at this time to insure the protection of the public health, safety and welfare; and that, during this prohibition, the Department of Environmental Protection should further study this issue and make recommendations for appropriate actions as hereinafter provided.

C. 13:1J-2 Definitions.

2. As used in this act:

a. "Fissionable source material" means

(1) Mineral ore which is extracted or processed with the intention of permitting the product to become or to be further processed into fuel for nuclear fission reactors or weapons; or

(2) Mineral ore which contains uranium or thorium in concentrations which might reasonably be expected to permit economically profitable conversion or processing into fuel for nuclear fission reactors or weapons;

b. "Reconnaissance" means

(1) A geologic and mineral resource appraisal of a region by searching and analyzing published literature, aerial photography and geologic maps; or

(2) Use of geophysical, geochemical, and remote sensing techniques that do not involve road building, land clearing, the use of explosives, or the introduction of chemicals to a land or water area; or

(3) Surface geologic, topographic or other mapping and property surveying; or

(4) Sample collections which do not involve excavation or drilling equipment, the use of explosives or the introduction of chemicals to the land or water area.

C. 13:1J-3 Limitation on exploration.

3. No person shall explore, beyond the reconnaissance phase, or extract, mill or process fissionable source materials in this State.

C. 13:1J-4 Violation of act; penalty.

4. a. A person who violates this act shall be punished by a fine of not more than $10,000.00, to be collected in accordance with the provisions of "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.). If the violation is of a continuing nature, each day during

which it continues shall constitute an additional, separate and distinct offense.

b. In addition to the penalty provided above, if a person violates this act, the attorney general may seek injunctive relief to prohibit and prevent the violation.

C. 13:1J-5 Report; contents.

5. a. The Department of Environmental Protection shall, within 6 years of the effective date of this act, prepare and transmit to the Governor and the Legislature a report concerning the dangers posed to the public health, safety and welfare by the exploration, mining or processing of any fissionable source material in this State. This report shall include recommendations for the prohibition or regulation of these activities upon the expiration of this act.

b. Prior to the preparation of this report, the Department of Environmental Protection shall conduct public hearings in any geographic area of this State which would be affected by the exploration, mining or processing of any fissionable material. Notice of these hearings shall be published at least 30 days in advance thereof in at least two newspapers circulating in the specific geographic area where the hearing will be held.

C. 13:1J-3 Authority of department to clean up or remove fissionable source material; governing body's right to adopt resolutions prohibiting exploration.

6. Nothing in this act shall be construed to:

a. Prohibit or impair any authority of the Department of Environmental Protection to provide for the containment, cleanup or removal of any fissionable source material which poses an immediate or imminent danger to the public health, safety and welfare.

b. Supersede or prohibit the adoption, by the governing body of any county or municipality, of any ordinance or resolution regulating or prohibiting the exploration, mining or processing of any fissionable material.

7. This act shall take effect immediately and shall expire 7 years from the date of enactment thereof.

Approved May 4, 1981.

CHAPTER 131

AN ACT to validate certain proceedings of school districts and any bonds or other obligations issued or to be issued pursuant to such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district or at any school district election for the authorization of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued in pursuance of a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that notices relating to such election were not published as required by the provisions of N. J. S. 18A:14–19; provided, however, that notices of such election were posted in accordance with N. J. S. 18A:14–19; and provided further, that no action, suit or other proceeding of any nature to contest the validity of such election has heretofore been instituted prior to the date on which this act takes effect and within the time fixed therefor by or pursuant to law or rule of court, or, when such time has not heretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved May 4, 1981.

CHAPTER 132

AN ACT appropriating funds from the Public Purpose Buildings Construction Fund for the construction, renovation and improvement of institutional facilities.

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

1. There is appropriated to the Department of Corrections from the Public Purpose Buildings Construction Fund created under

the "New Jersey Public Purpose Buildings Construction Bond Act of 1980," P. L. 1980, c. 119, the sum of $7,000,000.00 for the following construction project:

Institutional repairs and renovations $7,000,000.00

2. There is also appropriated from the fund, such items as may be necessary to meet any expense incurred by the issuing officials under P. L. 1980, c. 119, for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of that act.

3. The Director of the Division of Budget and Accounting is authorized to approve expenditures for pre-design program planning and other related costs for capital projects authorized under this act.

4. In order to provide flexibility in administering the provisions of this act, the Commissioner of Corrections may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item within the respective department accounts in the Public Purpose Buildings Construction Fund. Such transfer shall be made upon the written approval of said director and of the Legislative Budget Officer in the Office of Legislative Services.

5. This act shall take effect immediately.

Approved May 4, 1981.

CHAPTER 133

AN ACT concerning motor vehicle license plates, amending R. S. 39:3–33.

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

1. R. S. 39:3–33 is amended to read as follows:

Identification marks; contents; display; violations; penalty.

39:3–33. The owner of an automobile which is driven on the public highways of this State shall display not less than 12 inches nor more than 48 inches from the ground in a horizontal position, and in such a way as not to swing, an identification mark or marks

to be furnished by the division; provided, that if two marks are issued they shall be displayed on the front and rear of the vehicle; and provided, further, that if only one mark is issued it shall be displayed on the rear of the vehicle; and provided, further, that the rear identification mark may be displayed more than 48 inches from the ground on tank trucks, trailers and other commercial vehicles carrying inflammable liquids. Motorcycles shall also display an identification mark or marks; provided, that if two marks are issued they shall be displayed on the front and rear of the motorcycle; and provided, further, that if only one mark is issued it shall be displayed on the rear of the motorcycle.

The identification mark or marks shall contain the number of the registration certificate of the vehicle and shall be of such design and material as the director prescribes. All registration plates issued by the division after January 1, 1982 shall be of a permanent nature and shall be fully treated with a reflectorized material designed to increase the nighttime visibility and legibility thereof, according to specifications prescribed by the division, except that the division shall first use any existing supplies of nonreflectorized plates which it ordered prior to that date. Whenever reflectorized registration plates are issued for any vehicle for which a registration fee is normally charged, the division may charge an additional fee not to exceed $0.05 above actual costs. All identification marks shall be kept clear and distinct and free from grease, dust or other blurring matter, so as to be plainly visible at all times of the day and night.

The director is authorized and empowered to issue registration plate inserts, to be inserted in and attached to the registration plates or markers described herein. They may be issued in the place of new registration plates or markers; and inscribed thereon, in numerals, shall be the year in which registration of the vehicle has been granted.

No person shall drive a motor vehicle, the owner of which has not complied with the provisions of this subtitle concerning the proper registration and identification thereof, nor drive a motor vehicle which displays a fictitious number, or a number other than that designated for the motor vehicle in its registration certificate.

A person convicted of displaying a fictitious number, as prohibited herein, shall be subject to a fine not exceeding $500.00 or imprisonment in the county jail for not more than 60 days.

A person violating any other provision of this section shall be subject to a fine not exceeding $100.00. In default of the payment

thereof, there shall be imposed an imprisonment in the county jail for a period not exceeding 10 days. A person convicted of a second offense of the same violation may be fined in double the amount herein prescribed for the first offense and may, in default of the payment thereof, be punished by imprisonment in the county jail for a period not exceeding 20 days. These penalties shall not apply to the display of a fictitious number.

2. This act shall take effect immediately.

Approved May 4, 1981.

CHAPTER 134

AN ACT regulating invalid coach services and supplementing the "New Jersey Medical Assistance and Health Services Act," P. L. 1968, c. 413 approved January 15, 1969 (C. 30:4D–1 et seq.).

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

C. 30:4D-6.2 Definitions.

1. For the purposes of this act:

a. "Certified trained personnel" means that the one or more individuals directly providing invalid coach services shall possess and carry upon his person a current certificate of completion of an advanced medical training course, as determined by the Commissioner of Health.

b. "Division" means the Division of Medical Assistance and Health Services in the Department of Human Services.

c. "Invalid coach service" means the provision of nonemergency health care transportation, supervised by certified trained personnel, for sick, infirm or otherwise disabled Medicaid recipients who are under the care and supervision of a physician and whose medical condition is not of sufficient magnitude or gravity to require transportation by ambulance, but does require transportation from place to place for medical care and whose use of an alternate form of transportation, such as taxicab, bus, other public conveyance or private vehicle might create a serious risk to life and health.

d. "Medicaid recipient" means any person who is determined to be eligible to receive invalid coach services as provided under this act and meets the eligibility requirements pursuant to the "New Jersey Medical Assistance and Health Services Act," P. L. 1968, c. 413.

e. "Provider" means any person, public or private institution, agency or business concern lawfully providing invalid coach services authorized under this act.

C. 30:4D-6.3 Provider; approval of services.

2. No provider of invalid coach services shall be approved for reimbursement by the Division of Medical Assistance and Health Services for services rendered to Medicaid recipients unless such provider meets all the standards and requirements issued pursuant to section 3 and section 5 of this act.

C. 30:4D-6.4 Establishment of standards.

3. After consulting with the Commissioner of Human Services, the Commissioner of Health is authorized and empowered to issue and enforce, or cause to be issued and enforced through the division, all necessary rules, regulations and administrative orders with respect to:

a. The development of minimum requirements concerning the equipment, supplies and vehicles of providers of invalid coach services;

b. The establishment of standards for the amount of liability insurance each provider must maintain in order to be eligible to provide invalid coach services. Evidence of such insurance, including the name of the insurer and the policy number, shall be filed at the time of application for approval by the division and from time-to-time as the division shall deem necessary; and

c. The establishment of standards for certified trained personnel employed by providers of invalid coach services.

C. 30:4D-6.5 Volunteer squads excluded.

4. The provisions of this act shall not apply to services provided by volunteer first aid, rescue and ambulance squads as defined in the "New Jersey Highway Safety Act of 1971," P. L. 1971, c. 351 (C. 27:5F-1 et seq.).

C. 30:4D-6.6 Rules and regulations; applicability.

5. a. After consulting with the Commissioner of Human Services, the Commissioner of Health is authorized and empowered

to adopt such rules and regulations as are necessary to carry out his functions and duties under this act and to effectuate its purposes.

b. The provisions of the "New Jersey Medical Assistance and Health Services Act" and all rules, regulations and administrative orders issued thereunder shall apply, where applicable.

6. This act shall take effect 180 days following enactment.

Approved May 4, 1981.

CHAPTER 135

AN ACT concerning issuance of permits to carry handguns by employees of armored car companies, amending N. J. S. 2C:58–4 and supplementing chapter 58 of Title 2C of the New Jersey Statutes.

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

1. N. J. S. 2C:58–4 is amended to read as follows:

Permits to carry handguns.

2C:58–4. Permits to Carry Handguns. a. Scope and duration of authority. Any person who holds a valid permit to carry a handgun issued pursuant to this section shall be authorized to carry a handgun in all parts of this State, except as prohibited by section 2C:39–5e. One permit shall be sufficient for all handguns owned by the holder thereof, but the permit shall apply only to a handgun carried by the actual and legal holder of the permit.

All permits to carry handguns shall expire 2 years from the date of issuance or, in the case of an employee of an armored car company, upon termination of his employment by the company occurring prior thereto whichever is earlier in time, and they may thereafter be renewed every 2 years in the same manner and subject to the same conditions as in the case of original applications.

b. Application forms. All applications for permits to carry handguns, and all applications for renewal of such permits, shall be made on the forms prescribed by the superintendent. Each application shall set forth the full name, date of birth, sex, residence, occupation, place of business or employment, and physical

description of the applicant, and such other information as the superintendent may prescribe for the determination of the applicant's eligibility for a permit and for the proper enforcement of this chapter. The application shall be signed by the applicant under oath, and shall be indorsed by three reputable persons who have known the applicant for at least 3 years preceding the date of application, and who shall certify thereon that the applicant is a person of good moral character and behavior.

c. Investigation and approval. Each application shall in the first instance be submitted to the chief police officer of the municipality in which the applicant resides, or to the superintendent, (1) if the applicant is an employee of an armored car company, or (2) if there is no chief police officer in the municipality where the applicant resides, or (3) if the applicant does not reside in this State. The chief police officer, or the superintendent, as the case may be, shall cause the fingerprints of the applicant to be taken and compared with any and all records maintained by the municipality, the county in which it is located, the State Bureau of Identification and the Federal Bureau of Identification. He shall also determine and record a complete description of each handgun the applicant intends to carry.

No application shall be approved by the chief police officer or the superintendent unless the applicant demonstrates that he is not subject to any of the disabilities set forth in 2C:58–3c., that he is thoroughly familiar with the safe handling and use of handguns, and that he has a justifiable need to carry a handgun. If the application is not approved by the chief police officer or the superintendent within 60 days of filing, it shall be deemed to have been approved, unless the applicant agrees to an extension of time in writing.

d. Issuance by Superior Court; fee. If the application has been approved by the chief police officer or the superintendent, as the case may be, the applicant shall forthwith present it to the Superior Court of the county in which the applicant resides, or to the Superior Court in any county where he intends to carry a handgun, in the case of a nonresident or employee of an armored car company. The court shall issue the permit to the applicant if, but only if, it is satisfied that the applicant is a person of good character who is not subject to any of the disabilities set forth in section 2C:58–3c., that he is thoroughly familiar with the safe handling and use of handguns, and that he has a justifiable need to carry a handgun. The court may at its discretion issue a limited-type

permit which would restrict the applicant as to the types of handguns he may carry and where and for what purposes such handguns may be carried. At the time of issuance, the applicant shall pay to the county clerk of the county where the permit was issued a permit fee of $20.00.

e. Appeals from denial of applications. Any person aggrieved by the denial by the chief police officer or the superintendent of approval for a permit to carry a handgun may request a hearing in the Superior Court of the county in which he resides or in any county in which he intends to carry a handgun, in the case of a nonresident, by filing a written request for such a hearing within 30 days of the denial. Copies of the request shall be served upon the superintendent, the county prosecutor and the chief police officer of the municipality where the applicant resides, if he is a resident of this State. The hearing shall be held within 30 days of the filing of the request, and no formal pleading or filing fee shall be required. Appeals from the determination at such a hearing shall be in accordance with law and the rules governing the courts of this State.

If the superintendent or chief police officer approves an application and the Superior Court denies the application and refuses to issue a permit, the applicant may appeal such denial in accordance with law and the rules governing the courts of this State.

f. Revocation of permits. Any permit issued under this section shall be void at such time as the holder thereof becomes subject to any of the disabilities set forth in section 2C:58–3c., and the holder of such a void permit shall immediately surrender the permit to the superintendent who shall give notice to the licensing authority.

Any permit may be revoked by the Superior Court, after hearing upon notice to the holder, if the court finds that the holder is no longer qualified for the issuance of such a permit. The county prosecutor of any county, the chief police officer of any municipality, the superintendent or any citizen may apply to the court at any time for the revocation of any permit issued pursuant to this section.

C. 2C:58-4.1 Additional requirements to carry handguns by armored car company employees.

2. (New section) In addition to the requirements of N. J. S. 2C:58–4 any application to carry a handgun by an employee of an armored car company shall be accompanied by a letter from the chief executive officer of the armored car company verifying em-

ployment of the applicant; endorsing approval of the application; and agreeing to notify the superintendent forthwith upon the termination of the employee of any person to whom a permit is issued and to obtain from the employee the permit which shall thereupon be surrendered to the superintendent.

3. (New section) Permits to carry a handgun heretofore issued to an employee of an armored car company shall remain valid for the period for which issued.

4. This act shall take effect on the first day of the calendar month occurring not less than 30 days following enactment.

Approved May 4, 1981.

CHAPTER 136

AN ACT concerning transcript fees in the courts and amending N. J. S. 2A:11–15.

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

1. N. J. S. 2A:11–15 is amended to read as follows:

Transcript of record; fees.

2A:11–15. (a) When a transcript of the stenographic record in any court or in any other proceeding recorded at the direction of the Supreme Court is made by a reporter appointed under N. J. S. 2A:11–11 et seq., at the request of any person, the original and copies thereof shall be prepared and paid for at the rate of $0.60 for each folio of the original and $0.20 for each of the copies. If the transcript is furnished to a judge of the court, by his order, the reporter shall be paid therefor at the same rates, and such fees shall be paid for in the same manner and from the same sources as the reporter's salary or per diem fees are paid.

(b) Except as to transcripts that are to be paid for by the State or county, the reporter may require any person requesting a transcript to prepay the estimated fee therefor in advance of delivery of the transcript.

2. This act shall take effect immediately.

Approved May 4, 1981.

CHAPTER 137

AN ACT concerning certain insurance agency contracts, and amending and supplementing P. L. 1970, c. 217.

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

1. Section 1 of P. L. 1970, c. 217 (C. 17:22–6.14a) is amended to read as follows:

C. 17:22-6.14a Cancellation of policy; rates of commission; exceptions; termination of contracts.

1. In the event that a policy is canceled by the insurer, either at its own behest or at the behest of the agent or broker of record, the unearned premium, including the unearned commission shall be returned to the policyholder. In the event that a policy of automobile insurance issued by the automobile insurance plan established pursuant to P. L. 1970, c. 215 (C. 17:29D–1) or any successor thereto, is cancelled by reason of nonpayment of premium to the insurer issuing the policy or nonpayment of an installment payment due pursuant to an insurance premium finance agreement, the broker of record for that policy may retain the full annual commission due thereon and, if a premium finance agreement is not involved, the effective date of cancellation of the policy shall be no earlier than 10 days prior to the last full day for which the premium paid by the insured, net of the broker's full annual commission, would pay for coverage on a pro rata basis in accordance with rules established by the commissioner. Contracts between insurance companies and agents for the appointment of the agent as the representative of the company shall set forth the rate of commission to be paid to the agent for each class of insurance within the scope of such appointment written on all risks or operations in this State except:

(a) Reinsurance.
(b) Life insurance.
(c) Annuities.
(d) Accident and health insurance.
(e) Title insurance.
(f) Mortgage guaranty insurance.
(g) Hospital service, medical service, or dental service corporations, investment companies, mutual benefit associations, or fraternal beneficiary associations.

Said rates of commission shall continue in force and effect unless changed by mutual written consent or until termination of said contract as hereinafter provided. Failure to achieve such mutual consent shall require that the agent's contract be terminated as hereinbelow provided. The rate of commissions being paid on each class of insurance on the date of enactment hereof shall be deemed to be pursuant to the existing contract between agent and company.

Termination of any such contract for any reason other than one excluded herein shall become effective after not less than 90 days' notice in writing given by the company to the agent and the Commissioner of Insurance. No new business nor increases in liability on renewal or in force business shall be written by the agent for the company after notice of termination without written approval of the company. However, during the term of the agency contract, including the said 90-day period, the company shall not refuse to renew such business from the agent as would be in accordance with said company's current underwriting standards. The company shall during a period of 9 months from the effective date of such termination, provided the former agent has not been replaced as the broker of record by the insured, and upon request in writing of the terminated agent, renew all contracts of insurance for such agent for said company as may be in accordance with said company's then current underwriting standards and pay to the terminated agent a commission in accordance with the previous agency contract of the terminated agent. Said commission can be paid only to the holder of a New Jersey broker's license. In the event any risk shall not meet the then current underwriting standards of said company, that company may decline its renewal, provided that the company shall give the terminated agent and the insured not less than 60 days' notice of its intention not to renew said contract of insurance.

The agency termination provisions of this act shall not apply to those contracts in which the agent is paid on a salary basis without commission or where he agrees to represent exclusively one company or to the termination of an agent's contract for insolvency, abandonment, gross and willful misconduct, or failure to pay over to the company moneys due to the company after his receipt of a written demand therefor, or after revocation of the agent's license by the Commissioner of Insurance; and in any such case the company shall upon request of the insured, provided he meets the then current underwriting standards of the company, renew any contract

of insurance formerly processed by the terminated agent through an active agent, or directly pursuant to such rules and regulations as may be promulgated by the Commissioner of Insurance.

The Commissioner of Insurance, on the written complaint of any person stating that there has been a violation of this act, or when he deems it necessary without a complaint, may inquire and otherwise investigate to determine whether there has been any violation of this act.

All existing contracts between agent and company in effect in the State of New Jersey on the effective date of this act are subject to all provisions of this act.

The Commissioner of Insurance may, if he determines that a company is in unsatisfactory financial condition, exclude such company from the provisions of this act.

Whenever under this act it is required that the company shall renew a contract of insurance, the renewal shall be for a time period equal to one additional term of the term specified in the original contract, but in no event to be less than 1 year.

2. (New section) Notwithstanding the provisions of this act with respect to the period during which a commission is to be paid following the termination of a contract, commissions shall be paid for a period of 3 years on all business renewed pursuant to the provisions of section 3 of P. L. 1972, c. 70 (C. 39:6A–3) before April 10, 1982.

3. This act shall take effect 60 days after enactment.

Approved May 4, 1981.

CHAPTER 138

AN ACT to amend and supplement the Uniform Commercial Code (Title 12A of the New Jersey Statutes), and enacting and adding chapter 11 to Title 12A of the New Jersey Statutes.

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

1. N. J. S. 12A:1–105 is amended to read as follows:

Territorial application of the act; parties' power to choose applicable law.

12A:1–105. (1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this State and also to another state or nation the parties may agree that the law either of this State or of such other state or nation shall govern their rights and duties. Failing such agreement this act applies to transactions bearing an appropriate relation to this State.

(2) Where one of the following provisions of this act specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of creditors against sold goods. 12A:2–402.

Applicability of the Chapter on Bank Deposits and Collections. 12A:4–102.

Bulk transfers subject to the Chapter on Bulk Transfers. 12A:6–102.

Applicability of the Chapter on Investment Securities. 12A:8–106.

Perfection provisions of the Chapter on Secured Transactions. 12A:9–103.

2. N. J. S. 12A:1–201 is amended to read as follows:

General definitions.

12A:1–201. Subject to additional definitions contained in the subsequent chapters of this act which are applicable to specific chapters or subchapers thereof, and unless the context otherwise requires, in this act:

(1) "Action" in the sense of a judicial proceeding includes recoupment, counterclaim, set-off, suit in equity and any other proceedings in which rights are determined.

(2) "Aggrieved party" means a party entitled to resort to a remedy.

(3) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this act (12A:1–205 and 2–208). Whether an agreement has legal consequences is determined by the provisions of this act, if applicable; otherwise by the law of contracts (12A:1–103). (Compare "Contract.")

(4) "Bank" means any person engaged in the business of banking.

(5) "Bearer" means the person in possession of an instrument, document of title, or security payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods, and includes an airbill. "Airbill" means a document serving for air transportation as a bill of lading does for marine or rail transportation, and includes an air consignment note or air waybill.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" a fact means the burden of persuading the triers of fact that the existence of the fact is more probable than its nonexistence.

(9) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to him is in violation of the ownership rights or security interest of a third party in the goods buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. All persons who sell minerals or the like (including oil and gas) at wellhead or minehead shall be deemed to be persons in the business of selling goods of that kind. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(10) "Conspicuous": A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. A printed heading in capitals (as: NON-NEGOTIABLE BILL OF LADING) is conspicuous. Language in the body of a form is "conspicuous" if it is in larger or other contrasting type or color. But in a telegram any stated term is "conspicuous." Whether a term or clause is "conspicuous" or not is for decision by the court.

(11) "Contract" means the total legal obligation which results from the parties' agreement as affected by this act and any other applicable rules of law. (Compare "Agreement".)

(12) "Creditor" includes a general creditor, a secured creditor, a lien creditor and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity and an executor or administrator of an insolvent debtor's or assignor's estate.

(13) "Defendant" includes a person in the position of defendant in a cross-action or counterclaim.

(14) "Delivery" with respect to instruments, documents of title, chattel paper or securities means voluntary transfer of possession.

(15) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers. To be a document of title a document must purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass.

(16) "Fault" means wrongful act, omission or breach.

(17) "Fungible" with respect to goods or securities means goods or securities of which any unit is, by nature or usage of trade, the equivalent of any other like unit. Goods which are not fungible shall be deemed fungible for the purposes of this act to the extent that under a particular agreement or document unlike units are treated as equivalents.

(18) "Genuine" means free of forgery or counterfeiting.

(19) "Good faith" means honesty in fact in the conduct or transaction concerned.

(20) "Holder" means a person who is in possession of a document of title or an instrument or an investment security drawn, issued or indorsed to him or to his order or to bearer or in blank.

(21) To "honor" is to pay or to accept and pay, or where a credit so engages to purchase or discount a draft complying with the terms of the credit.

(22) "Insolvency proceedings" includes any assignment for the benefit of creditors or other proceedings intended to liquidate or rehabilitate the estate of the person involved.

(23) A person is "insolvent" who either has ceased to pay his debts in the ordinary course of business or cannot pay his debts as they become due or is insolvent within the meaning of the Federal bankruptcy law.

(24) "Money" means a medium of exchange authorized or adopted by a domestic or foreign government as a part of its currency.

(25) A person has "notice"' of a fact when

(a) He has actual knowledge of it; or

(b) He has received a notice or notification of it; or

(c) From all the facts and circumstances known to him at the time in question he has reason to know that it exists.

A person "knows" or has "knowledge" of a fact when he has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this act.

(26) A person "notifies" or "gives" a notice or notification to another by taking such steps as may be reasonably required to inform the other in ordinary course whether or not such other actually comes to know of it. A person "receives" a notice or notification when

(a) It comes to his attention; or

(b) It is duly delivered at the place of business through which the contract was made or at any other place held out by him as the place for receipt of such communications.

(27) Notice, knowledge or a notice or notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction, and in any event from the time when it would have been brought to his attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of his regular duties or unless he has reason to know of the transaction and that the transaction would be materially affected by the information.

(28) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, 2 or more persons having a joint or common interest, or any other legal or commercial entity.

(29) "Party," as distinct from "third party," means a person who has engaged in a transaction or made an agreement within this act.

(30) "Person" includes an individual or an organization (See 12A:1-102).

(31) "Presumption" or "presumed" means that the trier of fact must find the existence of the fact presumed unless and until

evidence is introduced which would support a finding of its nonexistence.

(32) "Purchase" includes taking by sale, discount, negotiation, mortgage, pledge, lien, issue or reissue, gift or any other voluntary transaction creating an interest in property.

(33) "Purchaser" means a person who takes by purchase.

(34) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.

(35) "Representative" includes an agent, an officer of a corporation or association, and a trustee, executor or administrator of an estate, or any other person empowered to act for another.

(36) "Rights" includes remedies.

(37) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (12A:2–401) is limited in effect to a reservation of a "security interest." The term also includes any interest of a buyer of accounts or chattel paper which is subject to chapter 9. The special property interest of a buyer of goods on identification of such goods to a contract for sale under 12A:2–401 is not a "security interest," but a buyer may also acquire a "security interest" by complying with chapter 9. Unless a lease or consignment is intended as security, reservation of title thereunder is not a "security interest" but a consignment is in any event subject to the provisions on consignment sales (12A:2–326). Whether a lease is intended as security is to be determined by the facts of each case; however, (a) the inclusion of an option to purchase does not of itself make the lease one intended for security, and (b) an agreement that upon compliance with the terms of the lease the lessee shall become or has the option to become the owner of the property for no additional consideration or for a nominal consideration does make the lease one intended for security.

(38) "Send" in connection with any writing or notice means to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and in the case of an instrument to an address specified thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances. The receipt of any writing or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.

(39) "Signed" includes any symbol executed or adopted by a party with present intention to authenticate a writing.

(40) "Surety" includes guarantor.

(41) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.

(42) "Term" means that portion of an agreement which relates to a particular matter.

(43) "Unauthorized" signature or indorsement means one made without actual, implied or apparent authority and includes a forgery.

(44) "Value." Except as otherwise provided with respect to negotiable instruments and bank collections (12A:3–303, 4–208 and 4–209) a person gives "value" for rights if he acquires them

(a) In return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection; or

(b) As security for or in total or partial satisfaction of a pre-existing claim; or

(c) By accepting delivery pursuant to a pre-existing contract for purchase; or

(d) Generally, in return for any consideration sufficient to support a simple contract.

(45) "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

(46) "Written" or "writing" includes printing, typewriting or any other intentional reduction to tangible form.

3. N. J. S. 12A:2–107 is amended to read as follows:

Goods to be severed from realty; recording.

12A:2–107. (1) A contract for the sale of minerals or the like (including oil and gas) or a structure or its materials to be removed from realty is a contract for the sale of goods within this chapter if they are to be severed by the seller but until severance a purported present sale thereof which is not effective as a transfer of an interest in land is effective only as a contract to sell.

(2) A contract for the sale apart from the land of growing crops or other things attached to realty and capable of severance without material harm thereto but not described in subsection (1) or of timber to be cut is a contract for the sale of goods within this chapter whether the subject matter is to be severed by the buyer or by the seller even though it forms part of the realty at the time of contracting, and the parties can by identification effect a present sale before severance.

(3) The provisions of this section are subject to any third party rights provided by the law relating to realty records, and the contract for sale may be executed and recorded as a document transferring an interest in land and shall then constitute notice to third parties of the buyer's rights under the contract for sale.

4. N. J. S. 12A:5–116 is amended to read as follows:

Transfer and assignment.

12A:5–116. (1) The right to draw under a credit can be transferred or assigned only when the credit is expressly designated as transferable or assignable.

(2) Even though the credit specifically states that it is nontransferable or nonassignable the beneficiary may before performance of the conditions of the credit assign his right to proceeds. Such an assignment is an assignment of an account under chapter 9 on Secured Transactions and is governed by that chapter except that

(a) The assignment is ineffective until the letter of credit or advice of credit is delivered to the assignee which delivery constitutes perfection of the security interest under chapter 9; and

(b) The issuer may honor drafts or demands for payment drawn under the credit until it receives a notification of the assignment signed by the beneficiary which reasonably identifies the credit involved in the assignment and contains a request to pay the assignee; and

(c) After what reasonably appears to be such a notification has been received the issuer may without dishonor refuse to accept or pay even to a person otherwise entitled to honor until the letter of credit or advice of credit is exhibited to the issuer.

(3) Except where the beneficiary has effectively assigned his right to draw or his right to proceeds, nothing in this section limits his right to transfer or negotiate drafts or demands drawn under the credit.

N. J. S. 12A:9 title amended.

5. The Title of chapter 9 of Title 12A of the New Jersey Statutes is hereby amended to read as follows:

SECURED TRANSACTIONS; SALES OF ACCOUNTS AND CHATTEL PAPER.

6. N. J. S. 12A:9–102 is amended to read as follows:

Policy and subject matter of chapter.

12A:9–102. Policy and Subject Matter of Chapter.

(1) Except as otherwise provided in 12A:9–104 on excluded transactions, this chapter applies

(a) To any transaction (regardless of its form) which is intended to create a security interest in personal property or fixtures including goods, documents, instruments, general intangibles, chattel paper or accounts; and also

(b) To any sale of accounts or chattel paper.

(2) This chapter applies to security interests created by contract including pledge, assignment, chattel mortgage, chattel trust, trust deed, factor's lien, equipment trust, conditional sale, trust receipt, other lien or title retention contract and lease or consignment intended as security. This chapter does not apply to statutory liens except as provided in 12A:9–310.

(3) The application of this chapter to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this chapter does not apply.

7. N. J. S. 12A:9–103 is amended to read as follows:

Perfection of security interests in multiple state transactions.

12A:9–103. Perfection of Security Interests in Multiple State Transactions.

(1) Documents, instruments and ordinary goods.

(a) This subsection applies to documents and instruments and to goods other than those covered by a certificate of title described in subsection (2), mobile goods described in subsection (3), and minerals described in subsection (5).

(b) Except as otherwise provided in this subsection, perfection and the effect of perfection or nonperfection of a security interest in collateral are governed by the law of the jurisdiction where the collateral is when the last event occurs on which is based the assertion that the security interest is perfected or unperfected.

(c) If the parties to a transaction creating a purchase money security interest in goods in one jurisdiction understand at the time that the security interest attaches that the goods will be kept in another jurisdiction, then the law of the other jurisdiction governs the perfection and the effect of perfection or nonperfection of the security interest from the time it attaches until 30 days after the debtor receives possession of the goods and thereafter if the goods are taken to the other jurisdiction before the end of the 30-day period.

(d) When collateral is brought into and kept in this State while subject to a security interest perfected under the law of the jurisdiction from which the collateral was removed, the security interest remains perfected, but if action is required by subchapter 3 of this chapter to perfect the security interest,

(i) If the action is not taken before the expiration of the period of perfection in the other jurisdiction or the end of 4 months after the collateral is brought into this State, whichever period first expires, the security interest becomes unperfected at the end of that period and is thereafter deemed to have been unperfected as against a person who became a purchaser after removal;

(ii) If the action is taken before the expiration of the period specified in subparagraph (i), the security interest continues perfected thereafter;

(iii) For the purpose of priority over a buyer of consumer goods (subsection (2) of 12A:9-307), the period of the effectiveness of a filing in the jurisdiction from which the collateral is removed is governed by the rules with respect to perfection in subparagraphs (i) and (ii).

(2) Certificate of title.

(a) This subsection applies to goods covered by a certificate of title issued under a statute of this State or of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection.

(b) Except as otherwise provided in this subsection, perfection and the effect of perfection or nonperfection of the security interest are governed by the law (including the conflict of laws rules) of the jurisdiction issuing the certificate until 4 months after the goods are removed from that jurisdiction and thereafter until the goods are registered in another jurisdiction, but in any event not beyond surrender of the certificate. After the expiration of that period, the goods are not covered by the certificate of title within the meaning of this section.

(c) Except with respect to the rights of a buyer described in the next paragraph, a security interest, perfected in another jurisdiction otherwise than by notation on a certificate of title, in goods brought into this State and thereafter covered by a certificate of title issued by this State is subject to the rules stated in paragraph (d) of subsection (1).

(d) If goods are brought into this State while a security interest therein is perfected in any manner under the law of the jurisdiction from which the goods are removed and a certificate of title is issued by this State and the certificate does not show that the goods are subject to the security interest or that they may be subject to security interests not shown on the certificate, the security interest is subordinate to the rights of a buyer of the goods who is not in the business of selling goods of that kind to the extent that he gives value and receives delivery of the goods after issuance of the certificate and without the knowledge of the security interest.

(3) Accounts, general intangibles and mobile goods.

(a) This subsection applies to accounts (other than an account described in subsection (5) on minerals) and general intangibles and to goods which are mobile and which are of a type normally used in more than one jurisdiction, such as motor vehicles, trailers, rolling stock, airplanes, shipping containers, road building and construction machinery and commercial harvesting machinery and the like, if the goods are equipment or are inventory leased or held for lease by the debtor to others, and are not covered by a certificate of title described in subsection (2).

(b) The law (including the conflict of laws rules) of the jurisdiction in which the debtor is located governs the perfection and the effect of perfection or nonperfection of the security interest.

(c) If, however, the debtor is located in a jurisdiction which is not a part of the United States, and which does not provide for perfection of the security interest by filing or recording in that jurisdiction, the law of the jurisdiction in the United States in which the debtor has its major executive office in the United States governs the perfection and the effect of perfection or nonperfection of the security interest through filing. In the alternative, if the debtor is located in a jurisdiction which is not a part of the United States or Canada and the collateral is accounts or general intangibles for money due or to become due, the security interest may be perfected by notification to the account debtor. As used in this paragraph, "United States" includes its territories and possessions and the Commonwealth of Puerto Rico.

(d) A debtor shall be deemed located at his place of business if he has one, at his chief executive office if he has more than one place of business, otherwise at his residence. If, however, the debtor is a foreign air carrier under the Federal Aviation Act of 1958, as amended, it shall be deemed located at the designated office of the

agent upon whom service of process may be made on behalf of the foreign air carrier.

(e) A security interest perfected under the law of the jurisdiction of the location of the debtor is perfected until the expiration of 4 months after a change of the debtor's location to another jurisdiction, or until perfection would have ceased by the law of the first jurisdiction, whichever period first expires. Unless perfected in the new jurisdiction before the end of that period, it becomes unperfected thereafter and is deemed to have been unperfected as against a person who became a purchaser after the change.

(4) Chattel paper.

The rules stated for goods in subsection (1) apply to a possessory security interest in chattel paper. The rules stated for accounts in subsection (3) apply to a nonpossessory security interest in chattel paper, but the security interest may not be perfected by notification to the account debtor.

(5) Minerals.

Perfection and the effect of perfection or nonperfection of a security interest which is created by a debtor who has an interest in minerals or the like (including oil and gas) before extraction and which attaches thereto as extracted, or which attaches to an account resulting from the sale thereof at the wellhead or minehead are governed by the law (including the conflict of laws rules) of the jurisdiction wherein the wellhead or minehead is located.

8. N. J. S. 12A:9–104 is amended to read as follows:

Transactions excluded from chapter.

12A:9–104. This chapter does not apply

(a) To a security interest subject to any statute of the United States such as the Ship Mortgage Act, 1920, to the extent that such statute governs the rights of parties to and third parties affected by transactions in particular types of property; or

(b) To a landlord's lien; or

(c) To a lien given by statute or other rule of law for services or materials except as provided in 12A:9–310 on priority of such liens; or

(d) To a transfer of a claim for wages, salary or other compensation of an employee; or

(e) To a transfer by a government or governmental subdivision or agency; or

(f) To a sale of accounts or chattel paper as part of a sale of the business out of which they arose, or an assignment of accounts or chattel paper which is for the purpose of collection only, or a transfer of a right to payment under a contract to an assignee who is also to do the performance under the contract or a transfer of a single account to an assignee in whole or partial satisfaction of a preexisting indebtedness; or

(g) To a transfer of an interest in or claim in or under any policy of insurance, except as provided with respect to proceeds (12A:9–306) and priorities in proceeds (12A:9–312); or

(h) To a right represented by a judgment (other than a judgment taken on a right to payment which was collateral); or

(i) To any right of set-off; or

(j) Except to the extent that provision is made for fixtures in 12A:9–313, to the creation or transfer of an interest in or lien on real estate, including a lease or rents thereunder; or

(k) To a transfer in whole or in part of any claim arising out of tort; or

(l) To a transfer of an interest in any deposit account (subsection (1) of 12A:9–105), except as provided with respect to proceeds (12A:9–306) and priorities in proceeds (12A:9–312); or

(m) To a chattel mortgage of the character described in section 46:28–14 of the Revised Statutes.

9. N. J. S. 12A:9–105 is amended to read as follows:

Definitions and index of definitions.

12A:9–105. (1) In this chapter unless the context otherwise requires:

(a) "Account debtor" means the person who is obligated on an account, chattel paper or general intangible;

(b) "Chattel paper" means a writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods, but a charter or other contract involving the use or hire of a vessel is not chattel paper. When a transaction is evidenced both by such a security agreement or a lease and by an instrument or a series of instruments, the group of writings taken together constitutes chattel paper;

(c) "Collateral" means the property subject to a security interest, and includes accounts and chattel paper which have been sold;

(d) "Debtor" means the person who owes payment or other performance of the obligation secured, whether or not he owns or

has rights in the collateral, and includes the seller of accounts or chattel paper. Where the debtor and the owner of the collateral are not the same person, the term "debtor" means the owner of the collateral in any provision of the chapter dealing with the collateral, the obligor in any provision dealing with the obligation, and may include both where the context so requires;

(e) "Deposit account" means a demand, time, savings, passbook or like account maintained with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a certificate of deposit;

(f) "Document" means document of title as defined in the general definitions of chapter 1 (12A:1–201), and a receipt of the kind described in subsection (2) of 12A:7–201;

(g) "Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests;

(h) "Goods" includes all things which are movable at the time the security interest attaches or which are fixtures (12A:9–313), but does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like (including oil and gas) before extraction. "Goods" also includes standing timber which is to be cut and removed under a conveyance or contract for sale, the unborn young of animals, and growing crops;

(i) "Instrument" means a negotiable instrument (defined in 12A:3–104), or a security (defined in 12A:8–102) or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is in ordinary course of business transferred by delivery with any necessary indorsement or assignment;

(j) "Mortgage" means a consensual interest created by a real estate mortgage, a trust deed on real estate, or the like;

(k) An advance is made "pursuant to commitment" if the secured party has bound himself to make it, whether or not a subsequent event of default or other event not within his control has relieved or may relieve him from his obligation;

(l) "Security agreement" means an agreement which creates or provides for a security interest;

(m) "Secured party" means a lender, seller or other person in whose favor there is a security interest, including a person to whom accounts or chattel paper have been sold. When the holders of obligations issued under an indenture of trust, equipment trust

agreement or the like are represented by a trustee or other person, the representative is the secured party.

(2) Other definitions applying to this chapter and the sections in which they appear are:

"Account." 12A:9–106.
"Attach." 12A:9–203.
"Construction mortgage." 12A:9–313(1).
"Consumer goods." 12A:9–109(1).
"Equipment." 12A:9–109(2).
"Farm products." 12A:9–109(3).
"Fixture." 12A:9–313.
"Fixture filing." 12A:9–313.
"General intangibles." 12A:9–106.
"Inventory." 12A:9–109(4).
"Lien creditor." 12A:9–301(3).
"Proceeds." 12A:9–306(1).
"Purchase money security interest." 12A:9–107.
"United States." 12A:9–103.

(3) The following definitions in other chapters apply to this chapter:

"Check." 12A:3–104.
"Contract for sale." 12A:2–106.
"Holder in due course." 12A:3–302.
"Note." 12A:3–104.
"Sale." 12A:2–106.

(4) In addition chapter 1 contains general definitions and principles of construction and interpretation applicable throughout this chapter.

10. N. J. S. 12A:9–106 is amended to read as follows:

Definitions: "Account"; "general intangibles."

12A:9–106. Definitions: "Account"; "General Intangibles." "Account" means any right to payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance. All rights to payment earned or unearned under a charter or other contract involving the use or hire of a vessel and all rights incident to the charter or contract are accounts. "General intangibles" means any personal property (including things in action) other than goods, accounts, chattel paper, documents, instruments, and money.

C. 12A:9-114 Consignment.

11. (New section) (1) A person who delivers goods under a consignment which is not a security interest and who would be required to file under this chapter by paragraph (3)(c) of 12A:2-326 has priority over a secured party who is or becomes a creditor of the consignee and who would have a perfected security interest in the goods if they were the property of the consignee, and also has priority with respect to identifiable cash proceeds received on or before delivery of the goods to a buyer, if

(a) The consignor complies with the filing provision of the chapter on Sales with respect to consignments (paragraph (3)(c) of 12A:2-326) before the consignee receives possession of the goods; and

(b) The consignor gives notification in writing to the holder of the security interest if the holder has filed a financing statement covering the same types of goods before the date of the filing made by the consignor; and

(c) The holder of the security interest receives the notification within 5 years before the consignee receives possession of the goods; and

(d) The notification states that the consignor expects to deliver goods on consignment to the consignee, describing the goods by item or type.

(2) In the case of a consignment which is not a security interest and in which the requirements of the preceding subsection have not been met, a person who delivers goods to another is subordinate to a person who would have a perfected security interest in the goods if they were the property of the debtor.

12. N. J. S. 12A:9-203 is amended to read as follows:

Attachment and enforceability of security interest; proceeds; formal requisites.

12A:9-203. Attachment and Enforceability of Security Interest; Proceeds; Formal Requisites.

(1) Subject to the provisions of 12A:4-208 on the security interest of a collecting bank and 12A:9-113 on a security interest arising under the Chapter on Sales, a security interest is not enforceable against the debtor or third parties with respect to the collateral and does not attach unless

(a) The collateral is in the possession of the secured party pursuant to agreement, or the debtor has signed a security agreement which contains a description of the collateral and in addition, when

the security interest covers crops growing or to be grown or timber to be cut, a description of the land concerned; and

(b) Value has been given; and

(c) The debtor has rights in the collateral.

(2) A security interest attaches when it becomes enforceable against the debtor with respect to the collateral. Attachment occurs as soon as all of the events specified in subsection (1) have taken place unless explicit agreement postpones the time of attaching.

(3) Unless otherwise agreed a security agreement gives the secured party the rights to proceeds provided by 12A:9–306.

(4) A transaction, although subject to this chapter, is also subject to the provisions of those statutes set forth as saved from repeal by this subtitle in section 12A:10–104, and in case of conflict between the provisions of this chapter and any such statute so saved from repeal, the provisions of such statute control. Failure to comply with any such applicable statute has only the effect which is specified therein.

13. N. J. S. 12A:9–204 is amended to read as follows:

After-acquired property; future advances.

12A:9–204. After-acquired property; future advances.

(1) Except as provided in subsection (2), a security agreement may provide that any or all obligations covered by the security agreement are to be secured by after-acquired collateral.

(2) No security interest attaches under an after-acquired property clause to consumer goods other than accessions (12A:9–314) when given as additional security unless the debtor acquires rights in them within 10 days after the secured party gives value.

(3) Obligations covered by a security agreement may include future advances or other value whether or not the advances or value are given pursuant to commitment (subsection (1) of 12A:9–105).

14. N. J. S. 12A:9–205 is amended to read as follows:

Use or disposition of collateral without accounting permissible.

12A:9–205. A security interest is not invalid or fraudulent against creditors by reason of liberty in the debtor to use, commingle or dispose of all or part of the collateral (including returned or repossessed goods) or to collect or compromise accounts or chattel paper, or to accept the return of goods or make repossessions, or to use, commingle or dispose of proceeds, or by

reason of the failure of the secured party to require the debtor to account for proceeds or replace collateral. This section does not relax the requirements of possession where perfection of a security interest depends upon possession of the collateral by the secured party or by a bailee.

15. N. J. S. 12A:9–301 is amended to read as follows:

Persons who take priority over unperfected security interests; right of "lien creditor."

12A:9–301. Persons who take priority over unperfected security interests; right of "lien creditor".

(1) Except as otherwise provided in subsection (2), an unperfected security interest is subordinate to the rights of

(a) Persons entitled to priority under 12A:9–312;

(b) A person who becomes a lien creditor before the security interest is perfected;

(c) In the case of goods, instruments, documents, and chattel paper, a person who is not a secured party and who is a transferee in bulk or other buyer not in ordinary course of business, or is a buyer of farm products in ordinary course of business, to the extent that he gives value and receives delivery of the collateral without knowledge of the security interest and before it is perfected;

(d) In the case of accounts and general intangibles, a person who is not a secured party and who is a transferee to the extent that he gives value without knowledge of the security interest and before it is perfected.

(2) If the secured party files with respect to a purchase money security interest before or within 10 days after the debtor receives possession of the collateral, he takes priority over the rights of a transferee in bulk or of a lien creditor which arise between the time the security interest attaches and the time of filing.

(3) A "lien creditor" means a creditor who has acquired a lien on the property involved by attachment, levy or the like and includes an assignee for benefit of creditors from the time of assignment, and a trustee in bankruptcy from the date of the filing of the petition or a receiver in equity from the time of appointment.

(4) A person who becomes a lien creditor while a security interest is perfected takes subject to the security interest only to the extent that it secures advances made before he becomes a lien creditor or within 45 days thereafter or made without knowledge of the lien or pursuant to a commitment entered into without knowledge of the lien.

16. N. J. S. 12A:9–302 is amended to read as follows:

When filing is required to perfect security interest; security interests to which filing provisions of this chapter do not apply.

12A:9–302. (1) A financing statement must be filed to perfect all security interests except the following:

(a) A security interest in collateral in possession of the secured party under 12A:9–305;

(b) A security interest temporarily perfected in instruments or documents without delivery under 12A:9–304 or in proceeds for a 10-day period under 12A:9–306;

(c) A security interest created by an assignment of a beneficial interest in a trust or a decedent's estate;

(d) A purchase money security interest in consumer goods; but filing is required for a motor vehicle required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in 12A:9–313;

(e) An assignment of accounts which does not alone or in conjunction with other assignments to the same assignee transfer a significant part of the outstanding accounts of the assignor;

(f) A security interest of a collecting bank (12A:4–208) or arising under the chapter on sales (see 12A:9–113) or covered in subsection (3) of this section;

(g) An assignment for the benefit of all the creditors of the transferor, and subsequent transfers by the assignee thereunder.

(2) If a secured party assigns a perfected security interest, no filing under this chapter is required in order to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

(3) The filing of a financing statement otherwise required by this chapter is not necessary or effective to perfect a security interest in property subject to

(a) A statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this chapter for filing of the security interest; or

(b) The following statutes of this State:

R. S. 39:10–1 to R. S. 39:10–9 both inclusive;

P. L. 1971, c. 311 (C. 39:10–9.1 and C. 39:10–9.2);

R. S. 39:10–10 to R. S. 39:10–16 both inclusive;

R. S. 39:10–18 to R. S. 39:10–25 both inclusive;

but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind,

the filing provisions of this chapter (subchapter 4) apply to a security interest in that collateral created by him as debtor; or

(c) A certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection (subsection (2) of 12A:9–103).

(4) Compliance with a statute or treaty described in subsection (3) is equivalent to the filing of a financing statement under this chapter, and a security interest in property subject to the statute or treaty can be perfected only by compliance therewith except as provided in 12A:9–103 on multiple state transactions. Duration and renewal of perfection of a security interest perfected by compliance with the statute or treaty are governed by the provisions of the statute or treaty; in other respects the security interest is subject to this chapter.

17. N. J. S. 12A:9–304 is amended to read as follows:

Perfection of security interest in instruments, documents, and goods covered by documents; perfection by permissive filing; temporary perfection without filing or transfer of possession.

12A:9–304. Perfection of Security Interest in Instruments, Documents, and Goods Covered by Documents; Perfection by Permissive Filing; Temporary Perfection Without Filing or Transfer of Possession.

(1) A security interest in chattel paper or negotiable documents may be perfected by filing. A security interest in money or instruments (other than instruments which constitute part of chattel paper) can be perfected only by the secured party's taking possession, except as provided in subsections (4) and (5) of this section and subsections (2) and (3) of 12A:9–306 on proceeds.

(2) During the period that goods are in the possession of the issuer of a negotiable document therefor, a security interest in the goods is perfected by perfecting a security interest in the document, and any security interest in the goods otherwise perfected during such period is subject thereto.

(3) A security interest in goods in the possession of a bailee other than one who has issued a negotiable document therefor is perfected by issuance of a document in the name of the secured party or by the bailee's receipt of notification of the secured party's interest or by filing as to the goods.

(4) A security interest in instruments or negotiable documents is perfected without filing or the taking of possession for a period of 21 days from the time it attaches to the extent that it arises for new value given under a written security agreement.

(5) A security interest remains perfected for a period of 21 days without filing where a secured party having a perfected security interest in an instrument, a negotiable document or goods in possession of a bailee other than one who has issued a negotiable document therefor

(a) Makes available to the debtor the goods or documents representing the goods for the purpose of ultimate sale or exchange or for the purpose of loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing with them in a manner preliminary to their sale or exchange, but priority between conflicting security interests in the goods is subject to subsection (3) of 12A:9–312; or

(b) Delivers the instrument to the debtor for the purpose of ultimate sale or exchange or of presentation, collection, renewal or registration of transfer.

(6) After the 21-day period in subsections (4) and (5) perfection depends upon compliance with applicable provisions of this chapter.

18. N. J. S. 12A:9–305 is amended to read as follows:

When possession by secured party perfects security interest without filing.

12A:9–305. A security interest in letters of credit and advices of credit (subsection (2) (a) of 12A:5–116), goods, instruments, money, negotiable documents or chattel paper may be perfected by the secured party's taking possession of the collateral. If such collateral other than goods covered by a negotiable document is held by a bailee, the secured party is deemed to have possession from the time the bailee receives notification of the secured party's interest. A security interest is perfected by possession from the time possession is taken without relation back and continues only so long as possession is retained, unless otherwise specified in this chapter. The security interest may be otherwise perfected as provided in this chapter before or after the period of possession by the secured party.

19. N. J. S. 12A:9–306 is amended to read as follows:

"Proceeds"; secured party's rights on disposition of collateral.

12A:9–306. (1) "Proceeds" includes whatever is received upon the sale, exchange, collection or other disposition of collateral or proceeds. Insurance payable by reason of loss or damage to the collateral is proceeds, except to the extent that it is payable to a person other than a party to the security agreement. Money, checks, deposit accounts, and the like are "cash proceeds". All other proceeds are "noncash proceeds".

(2) Except where this chapter otherwise provides, a security interest continues in collateral notwithstanding sale, exchange or other disposition thereof unless the disposition was authorized by the secured party in the security agreement or otherwise, and also continues in any identifiable proceeds including collections received by the debtor.

(3) The security interest in proceeds is a continuously perfected security interest if the interest in the original collateral was perfected but it ceases to be a perfected security interest and becomes unperfected 10 days after receipt of the proceeds by the debtor unless

(a) A filed financing statement covers the original collateral and the proceeds are collateral in which a security interest may be perfected by filing in the office or offices where the financing statement has been filed and, if the proceeds are acquired with cash proceeds, the description of collateral in the financing statement indicates the types of property constituting the proceeds; or

(b) A filed financing statement covers the original collateral and the proceeds are identifiable cash proceeds; or

(c) The security interest in the proceeds is perfected before the expiration of the 10-day period.

Except as provided in this section, a security interest in proceeds can be perfected only by the methods or under the circumstances permitted in this chapter for original collateral of the same type.

(4) In the event of insolvency proceedings instituted by or against a debtor, a secured party with a perfected security interest in proceeds has a perfected security interest only in the following proceeds:

(a) In identifiable noncash proceeds and in separate deposit accounts containing only proceeds;

(b) In identifiable cash proceeds in the form of money which is neither commingled with other money nor deposited in a deposit account prior to the insolvency proceedings;

(c) In identifiable cash proceeds in the form of checks and the like which are not deposited in a deposit account prior to the insolvency proceedings; and

(d) In all cash and deposit accounts of the debtor in which proceeds have been commingled with other funds, but the perfected security interest under this paragraph (d) is

(i) Subject to any right of set-off; and

(ii) Limited to an amount not greater than the amount of any cash proceeds received by the debtor within 10 days

before the institution of the insolvency proceedings less the sum of (I) the payments to the secured party on account of cash proceeds received by the debtor during such period and (II) the cash proceeds received by the debtor during such period to which the secured party is entitled under paragraphs (a) through (c) of this subsection (4).

(5) If a sale of goods results in an account or chattel paper which is transferred by the seller to a secured party, and if the goods are returned to or are repossessed by the seller or the secured party, the following rules determine priorities:

(a) If the goods were collateral at the time of sale, for an indebtedness of the seller which is still unpaid, the original security interest attaches again to the goods and continues as a perfected security interest if it was perfected at the time when the goods were sold. If the security interest was originally perfected by a filing which is still effective, nothing further is required to continue the perfected status; in any other case, the secured party must take possession of the returned or repossessed goods or must file.

(b) An unpaid transferee of the chattel paper has a security interest in the goods against the transferor. Such security interest is prior to a security interest asserted under paragraph (a) to the extent that the transferee of the chattel paper was entitled to priority under 12A:9–308.

(c) An unpaid transferee of the account has a security interest in the goods against the transferor. Such security interest is subordinate to a security interest asserted under paragraph (a).

(d) A security interest of an unpaid transferee asserted under paragraph (b) or (c) must be perfected for protection against creditors of the transferor and purchasers of the returned or repossessed goods.

20. N. J. S. 12A:9–307 is amended to read as follows:

Protection of buyers of goods.

12A:9–307. (1) A buyer in ordinary course of business (subsection (9) of 12A:1–201) other than a person buying farm products from a person engaged in farming operations takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its existence.

(2) In the case of consumer goods, a buyer takes free of a security interest even though perfected if he buys without knowledge of the security interest, for value and for his own personal, family or household purposes unless prior to the purchase the secured party has filed a financing statement covering such goods.

(3) A buyer other than a buyer in ordinary course of business (subsection (1) of this section) takes free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the purchase, or more than 45 days after the purchase, whichever first occurs, unless made pursuant to a commitment entered into without knowledge of the purchase and before the expiration of the 45-day period.

21. N. J. S. 12A:9–308 is amended to read as follows:

Purchase of chattel paper and instruments.

12A:9–308. Purchase of chattel paper and instruments.

A purchaser of chattel paper or an instrument who gives new value and takes possession of it in the ordinary course of his business has priority over a security interest in the chattel paper or instrument

(a) Which is perfected under 12A:9–304 (permissive filing and temporary perfection) or under 12A:9–306 (perfection as to proceeds) if he acts without knowledge that the specific paper or instrument is subject to a security interest; or

(b) Which is claimed merely as proceeds of inventory subject to a security interest (12A:9–306) even though he knows that the specific paper or instrument is subject to the security interest.

22. N. J. S. 12A:9–312 is amended to read as follows:

Priorities among conflicting security interests in the same collateral.

12A:9–312. (1) The rules of priority stated in other sections of this subchapter and in the following sections shall govern when applicable: 12A:4–208 with respect to the security interests of collecting banks in items being collected, accompanying documents and proceeds; 12A:9–103 on security interests related to other jurisdictions; 12A:9–114 on consignments.

(2) (Deleted by amendment.)

(3) A perfected purchase money security interest in inventory has priority over a conflicting security interest in the same inventory and also has priority in identifiable cash proceeds received on or before the delivery of the inventory to a buyer if

(a) The purchase money security interest is perfected at the time the debtor receives possession of the inventory; and

(b) The purchase money secured party gives notification in writing to the holder of the conflicting security interest if the holder had filed a financing statement covering the same types of inventory (i) before the date of the filing made by the purchase money secured

party, or (ii) before the beginning of the 21-day period where the purchase money security interest is temporarily perfected without filing or possession (subsection (5) of 12A:9–304); and

(c) The holder of the conflicting security interest receives the notification within 5 years before the debtor receives possession of the inventory; and

(d) The notification states that the person giving the notice has or expects to acquire a purchase money security interest in inventory of the debtor, describing such inventory by item or type.

(4) A purchase money security interest in collateral other than inventory has priority over a conflicting security interest in the same collateral or its proceeds if the purchase money security interest is perfected at the time the debtor receives possession of the collateral or within 10 days thereafter.

(5) In all cases not governed by other rules stated in this section (including cases of purchase money security interests which do not qualify for the special priorities set forth in subsections (3) and (4) of this section), priority between conflicting security interests in the same collateral shall be determined according to the following rules:

(a) Conflicting security interests rank according to priority in time of filing or perfection. Priority dates from the time a filing is first made covering the collateral or the time the security interest is first perfected, whichever is earlier, provided that there is no period thereafter when there is neither filing nor perfection.

(b) So long as conflicting security interests are unperfected, the first to attach has priority.

(6) For the purposes of subsection (5) a date of filing or perfection as to collateral is also a date of filing or perfection as to proceeds.

(7) If future advances are made while a security interest is perfected by filing or the taking of possession, the security interest has the same priority for the purposes of subsection (5) with respect to the future advances as it does with respect to the first advance. If a commitment is made before or while the security interest is so perfected, the security interest has the same priority with respect to advances made pursuant thereto. In other cases a perfected security interest has priority from the date the advance is made.

23. N. J. S. 12A:9–313 is amended to read as follows:

Priority of security interests in fixtures.

12A:9–313. (1) In this section and in the provisions of subchapter 4 of this chapter referring to fixture filing, unless the context otherwise requires

(a) Goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law.

(b) A "fixture filing" is the filing in the office where a mortgage on the real estate would be filed or recorded of a financing statement covering goods which are or are to become fixtures and conforming to the requirements of subsection (5) of 12A:9–402.

(c) A mortgage is a "construction mortgage" to the extent that it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates.

(2) A security interest under this chapter may be created in goods which are fixtures or may continue in goods which become fixtures, but no security interest exists under this chapter in ordinary building materials incorporated into an improvement on land.

(3) This chapter does not prevent creation of an encumbrance upon fixtures pursuant to real estate law.

(4) A perfected security interest in fixtures has priority over the conflicting interest of an encumbrancer or owner of the real estate where

(a) The security interest is a purchase money security interest, the interest of the encumbrancer or owner arises before the goods become fixtures, the security interest is perfected by a fixture filing before the goods become fixtures or within 10 days thereafter, and the debtor has an interest of record in the real estate or is in possession of the real estate; or

(b) The security interest is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the security interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the debtor has an interest of record in the real estate or is in possession of the real estate; or

(c) The fixtures are readily removable factory or office machines or readily removable replacements of domestic appliances which are consumer goods, and before the goods become fixtures the security interest is perfected by any method permitted by this chapter; or

(d) The conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this chapter.

(5) A security interest in fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate where

(a) The encumbrancer or owner has consented in writing to the security interest or has disclaimed an interest in the goods as fixtures; or

(b) The debtor has a right to remove the goods as against the encumbrancer or owner. If the debtor's right terminates, the priority of the security interest continues for a reasonable time.

(6) Notwithstanding paragraph (a) of subsection (4) but otherwise subject to subsections (4) and (5), a security interest in fixtures is subordinate to a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent that it is given to refinance a construction mortgage, a mortgage has this priority to the same extent as the construction mortgage.

(7) In cases not within the preceding subsections, a security interest in fixtures is subordinate to the conflicting interest of an encumbrancer or owner of the related real estate who is not the debtor.

(8) When the secured party has priority over all owners and encumbrancers of the real estate, he may, on default, subject to the provisions of subchapter 5, remove his collateral from the real estate but he must reimburse any encumbrancer or owner of the real estate who is not the debtor and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate security for the performance of this obligation.

24. N. J. S. 12A:9–318 is amended to read as follows:

Defenses against assignee; modification of contract after notification of assignment; term prohibiting assignment ineffective; identification and proof of assignment.

12A:9–318. (1) Unless an account debtor has made an enforceable agreement not to assert defenses or claims arising out of a sale as provided in 12A:9–206 the rights of an assignee are subject to

(a) All the terms of the contract between the account debtor and assignor and any defense or claim arising therefrom; and

(b) Any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives notification of the assignment.

(2) So far as the right to payment or a part thereof under an assigned contract has not been fully earned by performance, and notwithstanding notification of the assignment, any modification of or substitution for the contract made in good faith and in accordance with reasonable commercial standards is effective against an assignee unless the account debtor has otherwise agreed but the assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that such modification or substitution is a breach by the assignor.

(3) The account debtor is authorized to pay the assignor until the account debtor receives notification that the amount due or to become due has been assigned and that payment is to be made to the assignee. A notification which does not reasonably identify the rights assigned is ineffective. If requested by the account debtor, the assignee must seasonably furnish reasonable proof that the assignment has been made and unless he does so the account debtor may pay the assignor.

(4) A term in any contract between an account debtor and an assignor is ineffective if it prohibits assignment of an account or prohibits creation of a security interest in a general intangible for money due or to become due or requires the account debtor's consent to such assignment or security interest.

25. N. J. S. 12A:9–401 is amended to read as follows:

Place of filing; erroneous filing; removal of collateral.

12A:9–401. (1) The proper place to file in order to perfect a security interest is as follows:

(a) when the collateral is equipment used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or consumer goods, then in the office of the recording officer in the county of the debtor's residence or if the debtor is not a resident of this State then in the office of the recording officer in the county where the goods are kept, and in addition, when the collateral is crops growing or to be grown, in the office of the recording officer in the county where the land is located. The recording officer of the county means the register of deeds and mortgages and his office in counties having such an officer and office, and the county clerk and his office in other counties;

(b) when the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of 12A:9–103, or when the financing statement is filed as a fixture filing (12A:9–313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded;

(c) in all other cases, in the office of the Secretary of State.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this chapter and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.

(3) A filing which is made in the proper place in this State continues effective even though the debtor's residence or place of business or the location of the collateral or its use, whichever controlled the original filing, is thereafter changed.

(4) The rules stated in 12A:9–103 determine whether filing is necessary in this State.

(5) For the purposes of this section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.

26. N. J. S. 12A:9–402 is amended to read as follows:

Formal requisites of financing statement; amendments; mortgage as financing statement.

12A:9–402. Formal requisites of financing statement; amendments; mortgage as financing statement. (1) A financing statement is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types, or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned and the name of the record owner thereof. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of 12A:9–103, or when the financing statement is filed as a fixture

filing (12A:9–313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this State.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor if it is filed to perfect a security interest in

(a) Collateral already subject to a security interest in another jurisdiction when it is brought into this State, or when the debtor's location is changed to this State. Such a financing statement must state that the collateral was brought into this State or that the debtor's location was changed to this State under such circumstances; or

(b) Proceeds under 12A:9–306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or

(c) Collateral as to which the filing has lapsed; or

(d) Collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)).

(3) A form substantially as follows is sufficient to comply with subsection (1):

Maturity Date (if any) .....

For Filing Officer Use
File No. .....
Date and Hour of Filing .....

(Last Name First)
Name of Debtor .....
Address .....
Name(s) of Other Debtor(s) (if any) .....
.....
Address .....
.....
Address .....

Name of Secured Party .....
Address .....
Name(s) of Other Secured Party(s) (if any) .....
.....
Address .....
.....
Address .....

1. This financing statement covers the following types (or items) of property:

(Describe) .....

CHECK X THE ITEMS WHICH APPLY

.....

2. ☐ (If collateral is crops) The above described crops are growing or are to be grown on:

(Description of real estate and name of record owner) .....
.....

3. ☐ (If applicable) The above goods are to become fixtures on (Describe Real Estate) ..... and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is .....

4. ☐ (If applicable) The above timber is standing on (Describe Real Estate) ..... and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is .....

5. ☐ (If applicable) The above minerals or the like (including oil and gas) or accounts will be financed at the wellhead or minehead, of the well or mine located on (Describe Real Estate) ..... and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of the record owner is .....

6. ☐ Products of collateral are also covered.

(Use whichever is applicable.)

Signature(s) of Debtor(s)

.....
.....

Signature(s) of Secured Party(s)

. . . . . .

. . . . . .

(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this chapter, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of 12A:9–103, or a financing statement filed as a fixture filing (12A:9–313), must show that it covers this type of collateral, must recite that it is to be filed for record in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this State. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than 4 months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with re-

spect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading.

27. N. J. S. 12A:9–403 is amended to read as follows:

What constitutes filing; duration of filing; effect of lapsed filing; duties of filing officer.

12A:9–403. (1) Presentation for filing of a financing statement, tender of the filing fee and acceptance of the statement by the filing officer constitutes filing under this chapter.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of 5 years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the 5-year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the 5-year period, whichever occurs later. Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within 6 months prior to the expiration of the 5-year period specified in subsection (2). Any such continuation statement must be signed by the secured party, identify the original statement by file number and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of 12A:9–405, including payment of the required fee.

Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for 5 years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue

the effectiveness of the original statement. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than 5 years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained.

(4) Except as provided in subsection (7), a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition, the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement. A financing statement covering collateral which is or is to become a fixture or fixtures, or crops growing or to be grown, shall also be indexed in the name of the record owner of the realty.

(5) The uniform fee for filing, indexing and furnishing filing data for an original or a continuation statement or any amendment of either shall be $10.00.

(6) A real estate mortgage which is effective as a fixture filing under subsection (6) of 12A:9–402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of 12A:9–103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this State provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described.

28. N. J. S. 12A:9–404 is amended to read as follows:

Termination statement.

12A:9–404. (1) If a financing statement covering consumer goods is filed on or after the effective date of this act, then within 1 month or within 10 days following written demand by the debtor after

there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by the filing officer's file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of 12A:9–405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within 10 days after proper demand therefor he shall be liable to the debtor for $100.00, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index and attach it to the original financing statement.

If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, of if he has no such record, he may remove them from the files at any time after 1 year after receipt of the termination statement.

(3) The uniform fee for filing, attaching and indexing a termination statement including sending or delivering the financing statement shall be $5.00.

29. N. J. S. 12A:9–405 is amended to read as follows:

Assignment of security interest; duties of filing officer; fees.

12A:9–405. (1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing

statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in 12A:9–403(4). The uniform fee for filing, indexing and furnishing filing data for a financing statement so indicating an assignment shall be $5.00.

(2) A secured party may assign of record all or a part of his rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of filing. He shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of 12A:9–103, he shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this State provides for indexing the assignment of a mortgage under the name of the assignee, he shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing and furnishing filing data about such a separate statement of assignment shall be $5.00. Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of 12A:9–402) may be made only by an assignment of the mortgage in the manner provided by the law of this State other than this act.

(3) After the disclosure or filing of an assignment under this section, the assignee is the secured party of record.

30. N. J. S. 12A:9–406 is amended to read as follows:

Release of collateral; duties of filing officer; fees.

12A:9–406. A secured party of record may by his signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it

contains a description of the collateral being released, the name and address of the debtor, the name and address of the secured party, and the file number of the financing statement. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of 12A:9-405, including payment of the required fee. Upon presentation of such a statement of release to the filing officer he shall mark the statement with the hour and date of filing and shall note the same upon the index of the filing of the financing statement. The uniform fee for filing and noting such a statement of release shall be $5.00.

C. 12A:9-409 Financing statements covering consigned or leased goods.

31. (New section) Financing statements covering consigned or leased goods. A consignor or lessor of goods may file a financing statement using the terms "consignor," "consignee," "lessor," "lessee" or the like instead of the terms specified in 12A:9-402. The provisions of this subchapter shall apply as appropriate to such a financing statement but its filing shall not of itself be a factor in determining whether or not the consignment or lease is intended as security (12A:1-201(37)). However, if it is determined for other reasons that the consignment or lease is so intended, a security interest of the consignor or lessor which attaches to the consigned or leased goods is perfected by such filing.

32. N. J. S. 12A:9-501 is amended to read as follows:

Default; procedure when security agreement covers both real and personal property.

12A:9-501. (1) When a debtor is in default under a security agreement, a secured party has the rights and remedies provided in this Subchapter and except as limited by subsection (3) those provided in the security agreement. He may reduce his claim to judgment, foreclose or otherwise enforce the security interest by any available judicial procedure. If the collateral is documents the secured party may proceed either as to the documents or as to the goods covered thereby. A secured party in possession has the rights, remedies and duties provided in 12A:9-207. The rights and remedies referred to in this subsection are cumulative.

(2) After default, the debtor has the rights and remedies provided in this Subchapter, those provided in the security agreement and those provided in 12A:9-207.

(3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections

referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (3) of 12A:9–504 and 12A:9–505) and with respect to redemption of collateral (12A:9–506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:

(a) Subsection (2) of 12A:9–502 and subsection (2) of 12A:9–504 insofar as they require accounting for surplus proceeds of collateral;

(b) Subsection (3) of 12A:9–504 and subsection (1) of 12A:9–505 which deal with disposition of collateral;

(c) Subsection (2) of 12A:9–505 which deals with acceptance of collateral as discharge of obligation;

(d) 12A:9–506 which deals with redemption of collateral; and

(e) Subsection (1) of 12A:9–507 which deals with the secured party's liability for failure to comply with this Subchapter.

(4) If the security agreement covers both real and personal property, the secured party may proceed under this Subchapter as to the personal property or he may proceed as to both the real and the personal property in accordance with his rights and remedies in respect of the real property in which case the provisions of this Subchapter do not apply.

(5) When a secured party has reduced his claim to judgment the lien of any levy which may be made upon his collateral by virtue of any execution based upon the judgment shall relate back to the date of the perfection of the security interest in such collateral. A judicial sale, pursuant to such execution, is a foreclosure of the security interest by judicial procedure within the meaning of this section, and the secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this chapter.

33. N. J. S. 12A:9–502 is amended to read as follows:

Collection rights of secured party.

12A:9–502. (1) When so agreed and in any event on default the secured party is entitled to notify an account debtor or the obligor on an instrument to make payment to him whether or not the assignor was theretofore making collections on the collateral, and also to take control of any proceeds to which he is entitled under 12A:9–306.

(2) A secured party who by agreement is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor and who undertakes to collect from the account debtors or obligors must proceed in a commercially reasonable manner and may deduct his reasonable expenses of realization from the collections. If the security agreement secures an indebtedness, the secured party must account to the debtor for any surplus, and unless otherwise agreed, the debtor is liable for any deficiency. But, if the underlying transaction was a sale of accounts or chattel paper, the debtor is entitled to any surplus or is liable for any deficiency only if the security agreement so provides.

34. N. J. S. 12A:9–504 is amended to read as follows:

Secured party's right to dispose of collateral after default; effect of disposition.

12A:9–504. (1) A secured party after default may sell, lease or otherwise dispose of any or all of the collateral in its then condition or following any commercially reasonable preparation or processing. Any sale of goods is subject to the Chapter on Sales (chapter 2). The proceeds of disposition shall be applied in the order following to

(a) The reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and, to the extent provided for in the agreement and not prohibited by law, the reasonable attorneys' fees and legal expenses incurred by the secured party;

(b) The satisfaction of indebtedness secured by the security interest under which the disposition is made;

(c) The satisfaction of indebtedness secured by any subordinate security interest in the collateral if written notification of demand therefor is received before distribution of the proceeds is completed. If requested by the secured party, the holder of a subordinate security interest must seasonably furnish reasonable proof of his interest, and unless he does so, the secured party need not comply with his demand.

(2) If the security interest secures an indebtedness, the secured party must account to the debtor for any surplus, and, unless otherwise agreed, the debtor is liable for any deficiency. But if the underlying transaction was a sale of accounts or chattel paper, the debtor is entitled to any surplus or is liable for any deficiency only if the security agreement so provides.

(3) Disposition of the collateral may be by public or private proceedings and may be made by way of one or more contracts.

Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms but every aspect of the disposition including the method, manner, time, place and terms must be commercially reasonable. Unless collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if he has not signed after default a statement renouncing or modifying his right to notification of sale. In the case of consumer goods no other notification need be sent. In other cases notification shall be sent to any other secured party from whom the secured party has received (before sending his notification to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations he may buy at private sale.

(4) When collateral is disposed of by a secured party after default, the disposition transfers to a purchaser for value all of the debtor's rights therein, discharges the security interest under which it is made and any security interest or lien subordinate thereto. The purchaser takes free of all such rights and interests even though the secured party fails to comply with the requirements of this subchapter or of any judicial procedings

(a) In the case of a public sale, if the purchaser has no knowledge of any defects in the sale and if he does not buy in collusion with the secured party, other bidders or the person conducting the sale; or

(b) In any other case, if the purchaser acts in good faith.

(5) A person who is liable to a secured party under a guaranty, indorsement, repurchase agreement or the like and who receives a transfer of collateral from the secured party or is subrogated to his rights has thereafter the rights and duties of the secured party. Such a transfer of collateral is not a sale or disposition of the collateral under this chapter.

35. N. J. S. 12A:9–505 is amended to read as follows:

Compulsory disposition of collateral; acceptance of the collateral as discharge of obligation.

12A:9–505. (1) If the debtor has paid 60% of the cash price in the case of a purchase money security interest in consumer goods

or 60% of the loan in the case of another security interest in consumer goods, and has not signed after default a statement renouncing or modifying his rights under this Subchapter a secured party who has taken possession of collateral must dispose of it under 12A:9–504 and if he fails to do so within 90 days after he takes possession the debtor at his option may recover in conversion or under 12A:9–507(1) on secured party's liability.

(2) In any other case involving consumer goods or any other collateral a secured party in possession may, after default, propose to retain the collateral in satisfaction of the obligation. Written notice of such proposal shall be sent to the debtor if he has not signed after default a statement renouncing or modifying his rights under this subsection. In the case of consumer goods no other notice need be given. In other cases notice shall be sent to any other secured party from whom the secured party has received (before sending his notice to the debtor or before the debtor's renunciation of his rights) written notice of a claim of an interest in the collateral. If the secured party receives objection in writing from a person entitled to receive notification within 21 days after the notice was sent, the secured party must dispose of the collateral under 12A:9–504. In the absence of such written objection the secured party may retain the collateral in satisfaction of the debtor's obligation.

36.

TITLE 12A

CHAPTER 11

PROVISIONS FOR TRANSITION FROM ORIGINAL CHAPTER 9 TO AMENDED CHAPTER 9

12A:11–101 Definitions.
12A:11–102 Preservation of Old Transition Provision.
12A:11–103 Transition to Amended Chapter 9—General Rule.
12A:11–104 Transition Provision on Change of Requirement of Filing.
12A:11–105 Transition Provision on Change of Place of Filing.
12A:11–106 Required Refilings.
12A:11–107 Transition Provisions as to Priorities.
12A:11–108 Presumption that Rule of Law Continues Unchanged.

Definitions.

12A:11–101 Definitions.

As used in this chapter:

(a) The term "orginal chapter 9" means chapter 9 of the "Uniform Commercial Code" and all amendments and supplements thereto heretofore adopted.

(b) The term "amended chapter 9" means chapter 9 of the "Uniform Commercial Code" as amended and supplemented by the act enacting this chapter 11.

Preservation of old transition provision.

12A:11–102 Preservation of Old Transition Provision.

The provisions of chapter 10 of the "Uniform Commercial Code" and all amendments thereto shall continue to apply to amended chapter 9 and for this purpose original chapter 9 and amended chapter 9 shall be considered one continuous statute.

Transition to amended chapter 9—general rule.

12A:11–103 Transition to amended chapter 9—general rule.

Transactions validly entered into after January 1, 1963 and before the effective date of this act, and which were subject to the provisions of original chapter 9 and which would be subject to amended chapter 9 if they had been entered into on or after the effective date of this act and the rights, duties and interests flowing from such transactions remain valid after the latter date and may be terminated, completed, consummated or enforced as required or permitted by amended chapter 9. Security interests arising out of such transactions which are perfected when this act becomes effective shall remain perfected until they lapse as provided in amended chapter 9, and may be continued as permitted by amended chapter 9, except as stated in N. J. S. 12A:11–105.

Transition provision on change of requirement of filing.

12A:11–104 Transition provision on change of requirement of filing.

A security interest for the perfection of which filing or the taking of possession was required under original chapter 9 and which attached prior to the effective date of this act but was not perfected shall be deemed perfected on the effective date of this act if amended chapter 9 permits perfection without filing or authorizes filing in the office or offices where a prior ineffective filing was made.

Transition provision on change of place of filing.

12A:11–105 Transition provision on change of place of filing.

(1) A financing statement or continuation statement filed prior to the effective date of this act which shall not have lapsed prior to the effective date of this act shall remain effective for the period provided in original chapter 9, but not less than 5 years after the filing.

(2) With respect to any collateral acquired by the debtor subsequent to the effective date of this act, any effective financing statement or continuation statement described in this section shall apply only if the filing or filings are in the office or offices that would be appropriate to perfect the security interests in the new collateral under amended chapter 9.

(3) The effectiveness of any financing statement or continuation statement filed prior to the effective date of this act may be continued by a continuation statement as permitted by amended chapter 9, except that if amended chapter 9 requires a filing in an office where no previous financing statement had been filed, a new financing statement conforming to N. J. S. 12A:11–106 shall be filed in that office.

(4) If the record of a mortgage of real estate would have been effective as a fixture filing of goods described therein if amended chapter 9 had been in effect on the date of recording the mortgage, the mortgage shall be deemed effective as a fixture filing as to such goods under subsection (6) of N. J. S. 12A:9–402 of amended chapter 9 on the effective date of this act.

Required refilings.

12A:11–106 Required refilings. (1) If a security interest is perfected or has priority when the act enacting this chapter 11 takes effect as to all persons or as to certain persons without any filing or recording, and if the filing of a financing statement would be required for the perfection or priority of the security interest against those persons under amended chapter 9, the perfection and priority rights of the security interest continue until 3 years after the effective date of amended chapter 9. The perfection will then lapse unless a financing statement is filed as provided in subsection (2) or unless the security interest is perfected otherwise than by filing.

(2) A financing statement may be filed within 6 months before the perfection of a security interest would otherwise lapse. Any such financing statement may be signed by either the debtor or the secured party. It must identify the security agreement, statement or notice, state the office where and the date when the last filing, refiling or recording, if any, was made with respect thereto, and the filing number, if any, or book and page, if any, of recording and further state that the security agreement, statement or notice, however denominated, in another filing office under the Uniform Commercial Code is still effective. N. J. S. 12A:9–401 and N. J. S. 12A:9–103 determine the proper place to file such a financing statement. Except as specified in this subsection, the provisions of N. J. S. 12A:9–403(3) for continuation statements apply to such a financing statement.

Transition provisions as to priorities.

12A:11–107 Transition provisions as to priorities. Except as otherwise provided in this chapter 11, original chapter 9 shall apply to any questions of priority if the positions of the parties were fixed prior to the effective date of this act. In other cases questions of priority shall be determined by amended chapter 9.

Presumption that rule of law continues unchanged.

12A:11–108 Presumption that rule of law continues unchanged. Unless a change in law has clearly been made, the provisions of amended chapter 9 shall be deemed declaratory of the meaning of original chapter 9.

37. This act shall take effect the first day of the seventh month following enactment.

Approved May 4, 1981.

CHAPTER 139

AN ACT concerning motor vehicle registration in certain cases, amending R. S. 39:1–1 and supplementing chapter 3 of Title 39 of the Revised Statutes and making an appropriation therefor.

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

1. R. S. 39:1–1 is amended to read as follows:

Definitions.

39:1–1. As used in this subtitle, unless other meaning is clearly apparent from the language or context, or unless inconsistent with the manifest intention of the Legislature:

"Alley" means a public highway wherein the roadway does not exceed 12 feet in width.

"Authorized emergency vehicles" means vehicles of the fire department, police vehicles and such ambulances and other vehicles as are approved by the Director of the Division of Motor Vehicles in the Department of Law and Public Safety when operated in response to an emergency call.

"Automobile" includes all motor vehicles except motorcycles.

"Berm" means that portion of the highway exclusive of roadway and shoulder, bordering the shoulder but not to be used for vehicular travel.

"Business district" means that portion of a highway and the territory contiguous thereto, where within any 600 feet along such highway there are buildings in use for business or industrial purposes, including but not limited to hotels, banks, office buildings, railroad stations, and public buildings which occupy at least 300 feet of frontage on one side or 300 feet collectively on both sides of the roadway.

"Commercial motor vehicle" includes every type of motor-driven vehicle used for commercial purposes on the highways, such as the transportation of goods, wares and merchandise, excepting such vehicles as are run only upon rails or tracks and vehicles of the passenger car type used for touring purposes or the carrying of farm products and milk, as the case may be.

"Commissioner" means the Director of the Division of Motor Vehicles in the Department of Law and Public Safety of this State.

"Commuter van" means a motor vehicle having a seating capacity of not less than eight nor more than 15 adult passengers, in which eight or more persons commute on a daily basis to and from work and which vehicle may also be operated by the driver or other designated persons for their personal use.

"Crosswalk" means that part of a highway at an intersection included within the connections of the lateral lines of the sidewalks on opposite sides of the highway measured from the curbs or, in the absence of curbs, from the edges of the shoulder or, if none, from the edges of the roadway; also, any portion of a highway at an intersection or elsewhere distinctly indicated for pedestrian crossing by lines or other marking on the surface.

"Dealer" includes every person actively engaged in the business of buying, selling or exchanging motor vehicles or motorcycles and who has an established place of business.

"Department" means the Division of Motor Vehicles in the Department of Law and Public Safety of this State acting directly or through its duly authorized officers or agents.

"Deputy commissioner" means deputy director of the Division of Motor Vehicles in the Department of Law and Public Safety.

"Deputy director" means deputy director of the Division of Motor Vehicles in the Department of Law and Public Safety.

"Director" means the Director of the Division of Motor Vehicles in the Department of Law and Public Safety.

"Division" means the Division of Motor Vehicles in the Department of Law and Public Safety acting directly or through its duly authorized officers or agents.

"Driver" means the rider or driver of a horse, bicycle or motorcycle or the driver or operator of a motor vehicle, unless otherwise specified.

"Explosives" means any chemical compound or mechanical mixture that is commonly used or intended for the purpose of producing an explosion and which contains any oxidizing and combustive units or other ingredients in such proportions, quantities, or packing that an ignition by fire, friction, by concussion, by percussion, or by detonator of any part of the compound or mixture may cause such a sudden generation of highly heated gases that the resultant gaseous pressures are capable of producing destructive effects on contiguous objects or of destroying life or limb.

"Farm tractor" means every motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of husbandry.

"Flammable liquid" means any liquid having a flash point below 200° Fahrenheit, and a vapor pressure not exceeding 40 pounds.

"Gross weight" means the combined weight of a vehicle and any load thereon.

"Highway" means the entire width between the boundary lines of every way publicly maintained when any part thereof is open to the use of the public for purposes of vehicular travel.

"Horse" includes mules and all other domestic animals used as draught animals or beasts of burden.

"Inside lane" means the lane nearest the center line of the roadway.

"Intersection" means the area embraced within the prolongation of the lateral curb lines or, if none, the lateral boundary lines of two or more highways which join one another at an angle, whether or not one such highway crosses another.

"Laned roadway" means a roadway which is divided into two or more clearly marked lanes for vehicular traffic.

"Limited-access highway" means every highway, street, or roadway in respect to which owners or occupants of abutting lands and other persons have no legal right of access to or from the same except at such points only and in such manner as may be determined by the public authority having jurisdiction over such highway, street, or roadway; and includes any highway designated as a "freeway" or "parkway" by authority of law.

"Local authorities" means every county, municipal and other local board or body having authority to adopt local police regulations under the Constitution and laws of this State, including every county board of chosen freeholders with relation to county roads.

"Magistrate" means any municipal court, county district court, criminal judicial district court, County Court and the Superior Court, and any officer having the powers of a committing magistrate and the Director of the Division of Motor Vehicles in the Department of Law and Public Safety.

"Manufacturer" means a person engaged in the business of manufacturing or assembling motor vehicles, who will, under normal business conditions during the year, manufacture or assemble at least 10 new motor vehicles.

"Metal tire" means every tire the surface of which in contact with the highway is wholly or partly of metal or other hard nonresilient material.

"Motorized bicycle" means a pedal bicycle having a helper motor characterized in that either the maximum piston displace-

ment is less than 50 cc. or said motor is rated at no more than 1.5 brake horsepower and said bicycle is capable of a maximum speed of no more than 25 miles per hour on a flat surface.

"Motorcycle" includes motorcycles, motor bikes, bicycles with motor attached and all motor operated vehicles of the bicycle or tricycle type, except motorized bicycles as defined in this section, whether the motive power be a part thereof or attached thereto and having a saddle or seat with driver sitting astride or upon it, or a platform on which the driver stands.

"Motor-drawn vehicle" includes trailers, semitrailers, or any other type of vehicle drawn by a motor-driven vehicle.

"Motor vehicle" includes all vehicles propelled otherwise than by muscular power, excepting such vehicles as run only upon rails or tracks and motorized bicycles.

"Noncommercial truck" means every motor vehicle designed primarily for transportation of property, and which is not a "commercial vehicle."

"Official traffic control devices" means all signs, signals, markings, and devices not inconsistent with this subtitle placed or erected by authority of a public body or official having jurisdiction, for the purpose of regulating, warning, or guiding traffic.

"Omnibus" includes all motor vehicles used for the transportation of passengers for hire, except commuter vans and school buses if the same are not otherwise used in the transportation of passengers for hire.

"Operator" means a person who is in actual physical control of a vehicle or street car.

"Outside lane" means the lane nearest the curb or outer edge of the roadway.

"Owner" means a person who holds the legal title of a vehicle, or if a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to possession, then the conditional vendee, lessee or mortgagor shall be deemed the owner for the purpose of this subtitle.

"Parking" means the standing or waiting on a street, road or highway of a vehicle not actually engaged in receiving or discharging passengers or merchandise, unless in obedience to traffic regulations or traffic signs or signals.

"Passenger automobile" means all automobiles used and designed for the transportation of passengers, other than omnibuses and school buses.

"Pedestrian" means a person afoot.

"Person" includes natural persons, firms, copartnerships, associations, and corporations.

"Pneumatic tire" means every tire in which compressed air is designed to support the load.

"Pole trailer" means every vehicle without motive power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach, or pole, or by being boomed or otherwise secured to the towing vehicle, and ordinarily used for transporting long or irregularly shaped loads such as poles, pipes, or structural members capable, generally, of sustaining themselves as beams between the supporting connections.

"Private road or driveway" means every road or driveway not open to the use of the public for purposes of vehicular travel.

"Railroad train" means a steam engine, electric or other motor, with or without cars coupled thereto, operated upon rails, except street cars.

"Residence district" means that portion of a highway and the territory contiguous thereto, not comprising a business district, where within any 600 feet along such highway there are buildings in use for business or residential purposes which occupy 300 feet or more of frontage on at least one side of the highway.

"Right-of-way" means the privilege of the immediate use of the highway.

"Road tractor" means every motor vehicle designed and used for drawing other vehicles and not so constructed as to carry any load thereon either independently or any part of the weight of a vehicle or load so drawn.

"Roadway" means that portion of a highway improved, designed, or ordinarily used for vehicular travel, exclusive of the berm or shoulder. In the event a highway includes two or more separate roadways the term "roadway" as used herein shall refer to any such roadway separately, but not to all such roadways, collectively.

"Safety zone" means the area or space officially set aside within a highway for the exclusive use of pedestrians, which is so plainly marked or indicated by proper signs as to be plainly visible at all times while set apart as a safety zone.

"School bus" means every motor vehicle operated by, or under contract with, a public or governmental agency, or religious or other charitable organization or corporation, or privately operated for compensation for the transportation of children to or from school for secular or religious education which complies with the regulations of the Department of Education affecting school buses including "School Vehicle Type I" and "School Vehicle Type II" as defined below:

"School Vehicle Type I" means any vehicle with a seating capacity of 17 or more, used to transport enrolled children, and adults only when serving as chaperones, to or from a school, school connected activity, day camp, summer day camp, nursery school, child care center, preschool center or other similar places of education. Such vehicle shall comply with the regulations of the Division of Motor Vehicles and either the Department of Education or the Department of Institutions and Agencies whichever is the appropriate supervising agency.

"School Vehicle Type II" means any vehicle with a seating capacity of 16 or less, used to transport enrolled children, and adults only when serving as chaperones, to or from a school, school connected activity, day camp, summer day camp, nursery school, child care center, preschool center or other similar places of education. Such vehicle shall comply with the regulations of the Division of Motor Vehicles and either the Department of Education or the Department of Institutions and Agencies whichever is the appropriate supervising agency.

"School zone" means that portion of a highway which is either contiguous to territory occupied by a school building or is where school crossings are established in the vicinity of a school, upon which are maintained appropriate "school signs" in accordance with specifications adopted by the director and in accordance with law.

"School crossing" means that portion of a highway where school children are required to cross the highway in the vicinity of a school.

"Semitrailer" means every vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that some part of its weight and that of its load rests upon or is carried by another vehicle.

"Shoulder" means that portion of the highway, exclusive of and bordering the roadway, designed for emergency use but not ordinarily to be used for vehicular travel.

"Sidewalk" means that portion of a highway intended for the use of pedestrians, between the curb line or the lateral line of a shoulder, or if none, the lateral line of the roadway, and the adjacent right-of-way line.

"Sign." See "Official traffic control devices."

"Slow-moving vehicle" means a vehicle run at a speed less than the maximum speed then and there permissible.

"Solid tire" means every tire of rubber or other resilient material which does not depend upon compressed air for the support of the load.

"Street" means the same as highway.

"Street car" means a car other than a railroad train for transporting persons or property and operated upon rails principally within a municipality.

"Stop," when required, means complete cessation from movement.

"Stopping or standing," when prohibited, means any cessation of movement of a vehicle, whether occupied or not, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic control sign or signal.

"Through highway" means every highway or portion thereof at the entrances to which vehicular traffic from intersecting highways is required by law to stop before entering or crossing the same and when stop signs are erected as provided in this chapter.

"Trackless trolley" means every motor vehicle which is propelled by electric power obtained from overhead trolley wires but not operated upon rails.

"Traffic" means pedestrians, ridden or herded animals, vehicles, street cars, and other conveyances either singly, or together, while using any highway for purposes of travel.

"Traffic control signal" means a device whether manually, electrically, mechanically, or otherwise controlled by which traffic is alternately directed to stop and to proceed.

''Trailer'' means every vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle.

"Truck" means every motor vehicle designed, used, or maintained primarily for the transportation of property.

"Truck tractor" means every motor vehicle designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn.

"Vehicle" means every device in, upon or by which a person or property is or may be transported upon a highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks or motorized bicycles.

C. 39:3-27.19 Certificate and plates for commuter vans; issuance; fee.

2. (New section) The Director of the Division of Motor Vehicles may issue, upon application on a form prescribed by him, a registration certificate and registration plates for commuter vans as the application may indicate is warranted in accordance with the definition of these vehicles contained in R. S. 39:1–1 for the annual registration period.

For each vehicle used as a commuter van the applicant for the registration thereof shall pay an annual fee of $50.00. Any such applicant shall receive a credit for the unexpired portion of his registration for any vehicle covered under this act which has been issued prior to the effective date of this act on the basis of one-twelfth of the registration fee he has paid for each month remaining in such registration year.

The director shall design a plate to identify a vehicle as a commuter van.

C. 39:3-27.20 Return of special plate.

3. Upon the termination of service of any vehicle used as a commuter van, the owner of the van shall return such special plate to the Division of Motor Vehicles within 10 days.

C. 39:3-27.21 Valid only for vehicle for which issued.

4. No person shall lend the special plate for use on a motor vehicle other than the vehicle for which issued, or use the same for a motor vehicle other than the vehicle for which issued.

C. 39:3-22 Fine.

5. The fine for violating this act is not less than $25.00 nor more than $50.00.

C. 39:3-23 Rules and regulations.

6. After consultation with the Department of Energy, the director is authorized to promulgate rules and regulations necessary to effectuate the purposes of this act.

7. The sum of $10,000.00 is appropriated to the Division of Motor Vehicles out of the General State Fund to effectuate the purposes of this act.

8. This act shall take effect 180 days following its enactment.

Approved May 4, 1981.

CHAPTER 140

AN ACT to provide for the remission of time to county prisoners due to work credits and repealing P. L. 1972, c. 115.

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

C. 30:8-28.4 Compensation to inmates.

1. a. The inmates of all county penal institutions established and maintained pursuant to chapter 8 of Title 30 of the Revised Statutes who may be employed in such productive occupations as are consistent with their health, strength and mental capacity shall receive compensation in such employment as the governing body of the county may establish.

Compensation for inmates may be in the form of cash or remission of time from sentence or both. Remission from time of sentence shall be in accordance with rules and regulations promulgated by the Department of Corrections, but shall not exceed 1 day for each 5 days of productive occupation. Remission granted under this act shall in no way affect deductions for good behavior as provided by law.

b. The Department of Corrections shall promulgate and enforce rules and regulations for the operation of this act in accordance with the provisions hereof.

c. All county inmates classified as minimum security prisoners who are determined to be sufficiently trustworthy by the warden to be employed in honor camps, farm details, or details of work at public buildings or property, shall receive additional remission of time from sentence at the rate of 3 days per month for each month of such labors.

Repealer.

2. P. L. 1972, c. 115 (C. 30:8–28.1 et seq.) is repealed.

3. This act shall take effect immediately.

Approved May 4, 1981.

CHAPTER 141

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. The following sum is appropriated out of the General Fund for the purpose herein specified.

DEPARTMENT OF THE TREASURY

75. State Subsidies and Financial Aid—State Aid

29–2088	Locally Provided Services	$740,604
	Total Appropriation, State Subsidies and Financial Aid	$740,604

State Aid:
Payments to Municipalities for Services to State-owned Property ($740,604)

2. This act shall take effect immediately.

Approved May 6, 1981.

CHAPTER 142

AN ACT concerning casino activity and the conduct of certain elected and appointed public officers and employees as it relates thereto, amending and supplementing P. L. 1971, c. 182, amending P. L. 1977, c. 110, P. L. 1980, c. 28 and P. L. 1980, c. 69 and repealing section 2 of P. L. 1980, c. 79.

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

1. Section 102 of P. L. 1977, c. 110 (C. 5:12–102) is amended to read as follows:

C. 5:12-102 Junkets and Complimentary Services.

102. Junkets and Complimentary Services. a. No junkets may be organized or permitted except in accordance with the provisions of this act. No person may act as a junket representative except in accordance with this section. For purposes of this section, the term "junket representative" shall mean any person who is responsible for or directly engaged in the creation, organization, or operation of a junket, regardless of whether or not such junket is engaged in or organized within the State of New Jersey.

b. A junket representative shall be licensed as a casino key employee in accordance with the provisions of this act; provided, however, that said licensee need not be a resident of this State. No casino licensee may employ or otherwise engage a junket representative who is not so licensed.

c. A casino licensee shall be responsible for the conduct of any junket representative associated with it and for the terms and conditions of any junket engaged in on its premises, regardless of the employment status of any junket representative associated therewith.

d. Each casino licensee shall either:

(1) Submit to the commission, in accordance with its rules, a report in advance of any junket which shall include the names of the participants, the terms of the junket, the origin and dates of the junket, and such other information as may be required by the commission, including, without limitation, acknowledgments by the participants that they understand the terms of the particular junket; or

(2) Submit to the commission, in accordance with its rules, proposals for junkets, which proposals may be approved by the commission for continued use upon the condition that no material aspect of any proposal will be changed except as to participants and that quarterly reports regarding such junkets shall be submitted to the commission, including such information as it may require.

e. A casino licensee shall be responsible for any violation or deviation from the terms of a junket. Notwithstanding any other provisions of this act, the commission may, after hearings in accordance with this act, order restitution to junket participants, assess penalties for such violations or deviations, prohibit future

junkets by the casino licensee or junket representatives, and order such further relief as it deems appropriate.

f. Each casino licensee shall maintain a regulated complimentary service account and shall submit a quarterly report to the commission based upon such account and covering all complimentary services offered or engaged in by the licensee during the immediately preceding quarter. Such reports shall include identification of the regulated complimentary services and their respective costs, the number of persons by category of service who received same, and such other information as the commission may require.

g. As used in this subsection "person" means any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner or consultant regularly employed or retained by such planning board or zoning board of adjustment.

No casino applicant or licensee shall provide directly or indirectly to any person, any complimentary service or discount which is other than such service or discount that is offered to members of the general public in like circumstance.

2. Section 2 of P. L. 1971, c. 182 (C. 52:13D–13) is amended to read as follows:

C. 52:13D-13 Definitions.

2. As used in this act, and unless a different meaning clearly appears from the context, the following terms shall have the following meaning:

a. "State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, the Legislature of the State and any

office, board, bureau or commission within or created by the Legislative Branch, and any independent State authority, commission, instrumentality or agency. A county or municipality shall not be deemed an agency or instrumentality of the State.

b. "State officer or employee" means any person, other than a member of the Legislature, holding an office or employment in a State agency, excluding special State officers or employees as defined in subsection e. of this section.

c. "Member of the Legislature" means any person elected to serve in the General Assembly or the Senate.

d. "Head of a State agency" means (1) in the case of the Executive Branch of government, the department head or, if the agency is not assigned to a department, the Governor, and (2) in the case of the Legislative Branch, the chief presiding officer of each House of the Legislature.

e. "Special State officer or employee" means (1) any person holding an office or employment in a State agency for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law; and (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment in the Legislative branch.

f. "Person" means any natural person, association or corporation.

g. "Interest" means (1) the ownership or control of more than 10% of the profits or assets of a firm, association, or partnership, or more than 10% of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act" (N. J. S. 14A:17–1 et seq.); or (2) the ownership or control of more than 1% of the profits of a firm, association, or partnership, or more than 1% of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P. L. 1977, c. 110 (C. 5:12–1 et seq.). The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

h. "Cause, proceeding, application or other matter" means a specific cause, proceeding or matter and does not mean or include

determinations of general applicability or the preparation or review of legislation which is no longer pending before the Legislature or the Governor.

i. "Member of the immediate family" of any person means the person's spouse, child, parent or sibling residing in the same household.

3. Section 5 of P. L. 1971, c. 182 (C. 52:13D–16) is amended to read as follows:

C. 52:13D-16 Certain representations prohibited; exceptions.

5. a. No special State officer or employee, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular office, bureau, board, council, commission, authority, agency, fund or system in which such special State officer or employee holds office or employment.

b. No State officer or employee or member of the Legislature, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency; provided, however, this subsection shall not be deemed to prohibit a member of the Legislature from making an inquiry for information on behalf of a constituent, if no fee, reward or other thing of value is promised to, given to or accepted by the member of the Legislature, whether directly or indirectly nor shall anything contained herein be deemed to prohibit any such partnership, firm or corporation from appearing on its own behalf.

c. Nothing contained in this section shall be deemed to prohibit any legislator, or any State officer or employee or special State officer or employee from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding pending before any court of record of this State, any proceeding in regard to a claim for compensation arising under chapter 15 of Title 34 of the Revised Statutes (Workers'

Compensation), any proceeding in connection with the determination or review of transfer inheritance or estate taxes, any proceeding in connection with the filing of corporate or other documents in the office of the Secretary of State, any proceeding before the Division on Civil Rights, the New Jersey State Board of Mediation or the New Jersey Public Employment Relations Commission, the Unsatisfied Claim and Judgment Fund Board solely for the purpose of filing a notice of intention pursuant to P. L. 1952, c. 174, s. 5 (C. 39:6–65), or any successor thereof or any proceeding on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and provided he is not holding any office or employment in the State agency in which any such proceeding is pending.

C. 52:13D-17.2 "Person" defined; conflict of interest; violations; penalty.

4. (New section) a. As used in this section "person" means any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or full time member of the Judiciary; any full time professional employee of the Office of the Governor, or the Legislature; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment.

b. No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, ap-

plication, or matter. No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health, Higher Education and Human Services, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter.

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within 2 years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity. Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to subsection b. (2) of section 59 and to section 60 of P. L. 1977, c. 110 (C. 5:12–59b. (2) and C. 5:12–60).

d. The Joint Legislative Committee on Ethical Standards and the Executive Commission on Ethical Standards, as appropriate, shall forthwith determine and publish, and periodically update, a list of those positions in State Government with responsibility for matters affecting casino activity.

e. No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any casino applicant or licensee which he knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

f. No person shall influence, or attempt to influence, by use of his official authority, the decision of the commission or the investigation of the division in any application for licensure or in any proceeding to enforce the provisions of this act or the regulations of the commission. Any such attempt shall be promptly reported to the

Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or any proceeding to enforce the provisions of this act or the regulations of the commission.

g. Any person who willfully violates the provisions of this section is a disorderly person and shall be subject to a fine not to exceed $500.00 or imprisonment not to exceed 6 months, or both.

5. Section 10 of P. L. 1980, c. 28 is amended to read as follows:

P. L. 1980, c. 28, s. 10 effective date amended.

10. This act shall take effect immediately, but shall remain inoperative until Senate Bill No. 3041 or Assembly Bill No. 3073 of 1981, now pending in the Legislature, is enacted into law.

6. Section 5 of P. L. 1980, c. 69 (C. 5:12–117.1) is amended to read as follows:

C. 52:12-117.1 Persons prohibited from accepting employment; employment; violation of act; penalty.

5. a. No applicant or person or organization licensed by or registered with the commission shall employ or offer to employ any person who is prohibited from accepting employment from a licensee or applicant or any holding or intermediary company under subsection b. of section 5 of P. L. 1971, c. 182 (C. 52:13D–16) or section 3 of P. L. 1981, c. 142.

b. An applicant or person or organization who violates the provisions of this section is guilty of a crime of the fourth degree.

Repealer.

7. Section 2 of P. L. 1980, c. 79 (C. 52:13D–17.1) is repealed.

8. This act shall take effect immediately.

Approved May 14, 1981.

CHAPTER 143

AN ACT concerning motor vehicles and amending R. S. 39:4–64.

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

1. R. S. 39:4–64 is amended to read as follows:

Throwing or dropping bundle, object, article or debris from vehicle, prohibited.

39:4–64. No person shall throw or drop any bundle, object, article or debris of any nature from a vehicle whether in motion or not, when such vehicle is on a highway. The words "object, article or debris of any nature" as used in this section shall be deemed to include a lighted cigarette, cigar, match, or live ashes, or any substance or thing in and of itself likely to cause a fire, but such inclusion shall not be deemed to in anywise limit the generality of said words "object, article or debris of any nature." Any person who violates this section shall be subject to a fine of not less than $100.00 nor more than $500.00 for each offense.

2. This act shall take effect immediately.

Approved May 14, 1981.

CHAPTER 144

AN ACT to validate certain proceedings for the issuance of bonds of school districts and any bonds or other obligations issued or to be issued in pursuance of such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district or at any annual school district election for the authorization or issuance of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued in pursuance to a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that notices relating to such election were not published as required by the provisions of the "Absentee Voting Law (1953)," P. L. 1953, c. 211 (C. 19:57–1 et seq.), as amended and supplemented; provided, however, that no action, suit or other proceeding of any nature to contest the validity of such election has heretofore been instituted prior to the date on which this act takes effect and within the time fixed therefor by or pursuant to law or rule of court or, when such time has not theretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved May 14, 1981.

CHAPTER 145

AN ACT concerning appropriations by municipalities for maintaining, constructing or enlarging health care facilities, amending the title of "An act concerning appropriations by municipalities for constructing or enlarging private charitable hospitals, and supplementing chapter 5 of Title 44 of the Revised Statutes," approved December 27, 1954 (P. L. 1954, c. 266) so that the same shall read "An act concerning appropriations by municipalities for constructing or enlarging private health care facilities, and supplementing chapter 5 of Title 44 of the Revised Statutes," amending the body of said act, amending R. S. 44:5–2 and supplementing chapter 5 of Title 44 of the Revised Statutes.

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

Title amended.

1. The title of P. L. 1954, c. 266 is amended to read as follows:

AN ACT concerning appropriations by municipalities for constructing or enlarging private health care facilities, and supplementing chapter 5 of Title 44 of the Revised Statutes.

2. Section 1 of P. L. 1954, c. 266 (C. 44:5–10.2) is amended to read as follows:

C. 44:5-10.2 Appropriation for construction or enlargement of health care facility.

1. Any municipality which has no health care facility therein maintained by such municipality, may appropriate a sum or sums of money to be applied for the purpose of constructing or enlarging any health care facility or health care facilities located in the municipality or in any other municipality in the county, which is supported by private charity and where such patients as may be sent thereto are supported and maintained and to which annual appropriations may be made by the municipality to maintain patients and to assist such health care facility in accordance with the chapter to which this is a supplement. The sum or sums so appropriated pursuant to this act shall be used and applied in constructing or enlarging such health care facility.

3. R. S. 44:5–2 is amended to read as follows:

Appropriation to municipalities for maintenance of health care facility.

44:5–2. Any municipality which has no health care facility therein maintained by such municipality may make an appropriation in each year of an amount which, in the judgment of the governing body, shall be adequate for the purposes hereinafter stated. Such appropriation shall be made in the manner in which appropriations for other municipal purposes are made and such sum so appropriated shall be included in the annual tax levy of the municipality and collected in the same manner and at the same time as other municipal taxes. The sum shall be applied to the purpose of paying the cost of supporting and maintaining such indigent patients as may be sent by order of any municipal physician, director of welfare or other proper authority of the municipality to any health care facility or health care facilities supported by private charity and located in the municipality or any other municipality in this State, and shall also be applied to the purpose of defraying the cost incurred by any such health care facility in providing health care facility care to any indigent person residing in such municipality in cases where the furnishing of such care shall be approved by the proper authorities of such municipality, although such person may not have been sent to the health care facility by order of any municipal physician, director of welfare or any other proper authority thereof. The sum so appropriated may also be applied to the purpose of assisting in the support of any such health care facility or health care facilities.

The money so raised shall not be used for any other purpose whatever and the municipality may by ordinance regulate

(a) The mode of sending such person to such health care facility or health care facilities and of approving of the furnishing of care therein;

(b) The mode and terms of paying for the care and maintenance of such persons so sent to such health care facility or health care facilities or so approved; and

(c) The manner of making payment for the maintenance of such health care facility or health care facilities.

C. 44:5-2a "Health care facility" defined.

4. (New section) As used in this amendatory and supplementary act "health care facility" means the private facility or institution, engaged principally in providing services for health maintenance organizations, diagnosis or treatment of human disease, pain,

injury, deformity or physical condition, including, but not limited to, a general hospital, special hospital, mental hospital, public health center, diagnostic center, treatment center, rehabilitation center, extended care facility, skilled nursing home, nursing home, intermediate care facility, tuberculosis hospital, chronic disease hospital, maternity hospital, outpatient clinic, dispensary, home health care agency or residential health care facility.

5. This act shall take effect immediately.

Approved May 14, 1981.

CHAPTER 146

AN ACT authorizing and directing the utilization of funds, heretofore appropriated from the Water Conservation Fund, for the purposes of designing, constructing and repairing dams at Spruce Run and Round Valley and providing for procedures relating to the expenditure of these funds.

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

1. The Department of Environmental Protection is authorized and directed to utilize, from funds previously appropriated by section 2 of P. L. 1975, c. 158 from the Water Conservation Fund created pursuant to the "Water Conservation Bond Act of 1969," P. L. 1969, c. 127, the sum of $3,076,582.00 for structural repairs to the dams at Round Valley and Spruce Run.

2. In order to provide flexibility in administering this act and all prior acts appropriating moneys from the Water Conservation Fund, the Commissioner of the Department of Environmental Protection may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item in such appropriations. Upon approval of the application by the director and by the Legislative Budget Officer, in writing, the director shall make the transfer.

3. The expenditure of the sums appropriated by this act is subject to the provisions and conditions of P. L. 1969, c. 127.

4. This act shall take effect immediately.

Approved May 14, 1981.

CHAPTER 147

AN ACT concerning child labor in theatrical productions, amending and supplementing P. L. 1962, c. 91 and repealing section 7 thereof.

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

1. Section 1 of P. L. 1962, c. 91 (C. 34:2–21.57) is amended to read as follows:

C. 34:2-21.57 Definitions.

1. As used in this act:

a. "Professional employment" means employment for pay as an actor or performer in a theatrical production.

b. "Theatrical production" means and includes stage, motion picture and television performances and rehearsals therefor.

c. "Prohibited performance" means and includes appearances as a rope or wire walker or rider, gymnast, wrestler, boxer, contortionist, acrobat, rider of a horse or other animal unless the minor is trained to safely ride such horse or animal or rider of any vehicle other than that generally used by a minor of the same age, or appearance in any illegal, indecent or immoral exhibition or practice, or in any practice or exhibition dangerous to the life, limb, health or morals of a minor or a performance upon any premises licensed for the sale and consumption of alcoholic beverages, or appearance or exhibition of any physically deformed or mentally deficient minor.

2. Section 3 of P. L. 1962, c. 91 (C. 34:2–21.59) is amended to read as follows:

C. 34:2-21.59 Conditions for granting permit.

3. Upon application of an employer, bearing the endorsed approval of a parent or guardian of the minor a permit authorizing employment of the minor in a theatrical production may be issued if:

(a) The minor is in good health and will not likely be endangered by the working conditions of the prospective employment as certified by a currently issued statement of a licensed physician based upon a physical examination which, for minors under 8 years of age, includes a visual acuity screening if practicable;

(b) The place of employment is approved by the Department of Labor and the period for which the permit is desired is not in excess of 3 months;

(c) The minor is not attending public school and the application is for a period other than during the school summer vacation period, that he is receiving equivalent instruction approved by the Department of Education or by the State or county of his residence if he be a nonresident of New Jersey;

(d) The proposed employment will not exceed two shows or productions in a day or a total of eight shows or productions in any week where the professional employment is reasonably separable into discrete shows or productions; that the employment will not be for more than 6 days in any week, 5 hours in any day or a total of 24 hours, including rehearsal time, in any week and that the minor will not be employed before 7:00 a.m. or after 11:30 p.m. and that school and theatrical performance time shall not exceed 8 hours in any 1 day and that time spent on a motion picture set or on location while on call shall be excluded from any calculation of the number of hours employed if adequate provision has been made for the minor's education, supervision, health and welfare during such intervals;

(e) The employment does not involve a type of prohibited performance as hereinafter defined;

(f) The minor will be under the direct care and supervision of an adult who is a parent, guardian or a representative of the employer, named in the application, at all times during his employment or while living away from home when required as an incident of such employment.

A permit may be issued by the issuing officer or by the Commissioner of Labor in cases involving a significant contribution to the development of the motion picture industry in the State as determined by the Motion Picture and Television Developement Commission. In such cases, the commissioner shall also have the authority to alter or amend the hours of the day but not the total hours in the day during which a minor may work set forth in subsection (d) of this section, if such alteration or amendment will not foreseeably impair the educational instruction, supervision, health and welfare of the minor, and such an alteration or amendment is necessary for good reasons shown by the employer. The commissioner shall set forth the terms of any alteration or amendment in the permit.

3. Section 4 of P. L. 1962, c. 91 (C. 34:2–21.60) is amended to read as follows:

C. 34:2-21.60 Refusal to grant certificates; records.

4. The issuing officer or the Commissioner of Labor may refuse to grant a certificate if, in his judgment, the best interests of the minor would be served by such refusal and he shall keep a record of such refusals, and the reasons thereof. A refusal by the issuing officer shall not preclude a contrary decision by the commissioner and a refusal by the commissioner shall not preclude a contrary decision by the issuing officer.

4. Section 6 of P. L. 1962, c. 91 (C. 34:2–21.62) is amended to read as follows:

C. 34:2-21.62 Copy to Department of Labor.

6. The Department of Education shall deliver a copy of each application to the Department of Labor.

5. Section 8 of P. L. 1962, c. 91 (C. 34:2–21.64) is amended to read as follows:

C. 34:2-21.64 Forms and regulations concerning applications; administration.

8. The Department of Education and the Department of Labor shall prescribe forms and regulations concerning applications for and issuance of permits and the Department of Labor may issue regulations concerning the administration and enforcement of this act and, notwithstanding any provisions of law to the contrary, after consultation with the Department of Education, shall prescribe special safeguards governing the working conditions, supervision and education of minors under the age of 16, with particular attention to minors under the age of 6 years not inconsistent with the purposes of this act.

C. 34:2-21.63b Violation of act.

6. (New section) Any person who violates the provisions of this act (P. L. 1962, c. 91; C. 34:2–21.57 et seq.) is guilty of a crime of the fourth degree. Each day during which any violation of this act continues shall constitute a separate and distinct offense, and the employment of any minor in violation of the act shall with respect to each minor so employed, constitute a separate and distinct offense.

Repealer.

7. Section 7 of P. L. 1962, c. 91 (C. 34:2–21.63) is repealed.

8. This act shall take effect immediately.

Approved May 14, 1981.

CHAPTER 148

AN ACT concerning education, supplementing Title 18A of the New Jersey Statutes and making an appropriation.

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

C. 18A:64I-1 New Jersey School of Conservation; use as environmental field study school.

1. The 240 acre tract of land known as the New Jersey School of Conservation, located in Stokes State Forest, Sussex county, New Jersey, together with all the buildings thereon, and under the management and control of the Division of Parks, Forestry and Recreation in the Department of Environmental Protection, shall be used in perpetuity as a school for environmental field study under the direction of the Board of Trustees of Montclair State College.

C. 18A:64I-2 Expenditures.

2. The Board of Trustees of Montclair State College shall expend such sum or sums of money as may be included in any annual appropriations act for the expenses necessary for the educational program of the New Jersey School of Conservation, including the maintenance of the buildings and grounds necessary for that program.

C. 18A:64I-3 Funds for maintenance of school.

3. The State Board of Higher Education shall include in its annual request for appropriations, submitted to the Governor pursuant to N. J. S. 18A:3–14, a request for such sums as may be necessary to maintain the New Jersey School of Conservation. Such funding shall be separate from and in addition to the regular formula support provided to Montclair State College and shall not limit the funding provided to higher education as a sector.

4. There is appropriated $40,000.00 for the purposes of this act.

C. 18A:64I-4 Stokes State Forest; retention of responsibility for.

5. The Division of Parks, Forestry and Recreation in the Department of Environmental Protection shall retain responsibility for the care, management and preservation of the Stokes State Forest reserve as provided for other State forest reserves by P. L. 1966, c. 54, section 2 (C. 13:1B–15.101).

6. This act shall take effect immediately.

Approved May 18, 1981.

CHAPTER 149

AN ACT concerning workers' compensation offsets and amending P. L. 1980, c. 83.

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

1. Section 1 of P. L. 1980, c. 83 (C. 34:15–95.4) is amended to read as follows:

C. 34:15-95.4 Special adjustment benefit payment; dependent benefits; payment of compensation; amount of adjustment benefits.

1. Any employee or dependent receiving further weekly benefits as provided under R. S. 34:15–95, R. S. 34:15–12(b) or R. S. 34:15–13 at a rate applicable prior to January 1, 1980, and whose payment is less than the maximum compensation rate in effect for the year 1980 shall be entitled to receive a special adjustment benefit payment from the fund provided for by R. S. 34:15–94 and R. S. 34:15–95 and from those sources as provided for by this amendatory and supplementary act.

Any dependent, as defined in R. S. 34:15–13, of a person totally disabled who dies while receiving compensation from the fund provided for by R. S. 34:15–94 and 34:15–95, shall become entitled to dependent benefits under this chapter which are comparable to payments made to other dependents under the Workers' Compensation Law, on or after the effective date of this amendatory and supplementary act.

All compensation payments made under this chapter to a dependent, as defined under R. S. 34:15–13, of an individual who dies while receiving such compensation, shall be payable only where the compensable occupational injury or disease of the decedent is a material contributing factor to his death.

The payment of these adjustment benefits shall be paid to an employee or dependent as long as the employee or dependent is eligible to receive payments under R. S. 34:15–95, R. S. 34:15–12(b), R. S. 34:15–13, or this section.

The amount of the special adjustment benefit payment shall be such that when added to the worker's compensation rate awarded pursuant to R. S. 34:15–95, R. S. 34:15–12(b), R. S. 34:15–13 or this section as a result of injury or death, the total shall bear the

same percentage relationship to the 1980 maximum workers' compensation rate that the worker's own compensation rate awarded as a result of the injury or death bears to the then effective maximum workers' compensation rate. The amount of the special adjustment benefit shall be payable at a rate of 35% of the adjustment during the fiscal year 1981 commencing July 1, 1980; 75% of the adjustment during the fiscal year 1982; and 100% of the adjustment during the fiscal year 1983 and thereafter. The special adjustment benefit payment provided herein shall be reduced by an amount equal to the individual's benefit payable under the Federal Old-Age Survivors and Disability Insurance Act (not including increases in such benefits due to any Federal statutory increases after May 31, 1980), Black Lung benefits, or the employer's share of disability pension payments received from or on account of an employer. Where any person refuses to authorize the release of information concerning the amount of benefits payable under the aforementioned benefits, the division's estimate of said amount shall be deemed to be correct unless and until the actual amount is established and no adjustment shall be made for any period of time covered by any such refusal.

Payments of the adjustment shall be made from the fund created under R. S. 34:15–94 in the manner hereinafter provided. The Commissioner of Labor and Industry shall make payments from the fund directly to the persons who are now receiving benefits under R. S. 34:15–95 and to their dependents becoming eligible for dependents' benefits under this amendatory and supplementary act by increasing or, as the case may be, setting the weekly compensation payments to include the weekly adjustment. In the case of persons who are entitled to compensation under R. S. 34:15–12(b) or R. S. 34:15–13, the insurance carrier or self-insured employer in the second and subsequent fiscal years after enactment shall increase the weekly compensation payments to include the weekly adjustment and shall credit the payments against the assessments payable by the insurance carrier or self-insurer under R. S. 34:15–94. The insurance carrier or self-insurer claiming such credit shall submit vouchers upon forms prescribed by the Commissioner of Labor and Industry identifying each case and indicating the weekly benefit adjustment applicable thereto.

2. This act shall take effect immediately and shall be applicable to benefits payable on and after July 1, 1980.

Approved May 21, 1981.

CHAPTER 150

AN ACT to amend and supplement "An act to require the public disclosure of certain information by certain persons seeking to influence legislation in this State, providing penalties for noncompliance, and repealing the 'Legislative Activities Disclosure Act', approved October 16, 1964 (P. L. 1964, c. 207)," approved June 2, 1971 (P. L. 1971, c. 183).

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

1. Section 3 of P. L. 1971, c. 183 (C. 52:13C–20) is amended to read as follows:

C. 52:13C-20 Definitions.

3. Definitions. For the purposes of this act, unless the context clearly requires a different meaning:

a. The term "person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons.

b. The term "legislation" includes all bills, resolutions, amendments, nominations and appointments pending or proposed in either House of the Legislature, and all bills and resolutions which, having passed both Houses, are pending approval by the Governor.

c. The term "Legislature" includes the Senate and General Assembly of the State of New Jersey, the members and members-elect thereof and each of them, all committees and commissions established by the Legislature or by either House and all members of any such committee or commission, and all staff, assistants and employees of the Legislature whether or not they receive compensation from the State of New Jersey.

d. The term "lobbyist" means any person, partnership, committee, association, corporation, labor union, or any other organization that employs, engages or otherwise uses the services of any legislative agent to influence legislation.

e. The term "Governor or his staff" includes the Governor or the Acting Governor, the members of the Governor's Cabinet, the Secretary to the Governor, the Counsel to the Governor, and all other employees of the Chief Executive's Office.

f. The term "communication to the Legislature" or "to the Governor or his staff" means any communication, oral or in writing or any other medium, addressed, delivered, distributed or disseminated to the Legislature or the Governor or his staff or to any part thereof or member thereof as distinguished from the general public including but not limited to the Legislature or the Governor or his staff. If any person shall obtain, reproduce or except any communication or part thereof which in its original form was not a communication to the Legislature or the Governor or his staff and shall cause such excerpt or reproduction to be addressed, delivered, distributed or disseminated to the Legislature or the Governor or his staff or any part thereof or member thereof, such communication, reproduction or excerpt shall be deemed a communication to the Legislature or the Governor or his staff by such person.

g. The term "legislative agent" means any person who receives or agrees to receive, directly or indirectly, compensation, in money or anything of value including reimbursement of his expenses where such reimbursement exceeds $100.00 in any 3-month period, to influence legislation by communication, personally or through any intermediary, to the Legislature or the Governor or his staff, or who holds himself out as engaging in the business of influencing legislation by such means, or who incident to his regular employment engages in influencing legislation by such means; provided, however, that a person shall not be deemed a legislative agent who, in relation to the duties or interests of his employment or at the request or suggestion of his employer, communicates to the Legislature or the Governor or his staff concerning any legislation, if such communication is an isolated, exceptional or infrequent activity in relation to the usual duties of his employment.

h. The term "influence legislation" means to make any attempt, whether successful or not, to secure or prevent the initiation of any legislation, or to secure or prevent the passage, defeat, amendment or modification thereof by the Legislature, or the approval, amendment or disapproval thereof by the Governor in accordance with his constitutional authority.

i. The term "statement" includes a notice of representation or a report required by this act.

j. The phrase "direct, express and intentional communication with legislators undertaken for the specific purpose of affecting legislation" means any communication initiated by a legislative agent to the Legislature or the Governor or his staff having the

effect of transmitting information which reasonably can be said to be intended to influence legislation.

C. 52:13C-22.1 Annual report to Election Law Enforcement Commission; contents; expenditures; reporting; violation of act.

2. (New section) Each legislative agent or lobbyist shall make and certify the correctness of a full annual report to the Election Law Enforcement Commission, of those moneys, loans, paid personal services or other things of value contributed to it and those expenditures made, incurred or authorized by it for the purpose of direct, express and intentional communication with legislators or the Governor or his staff undertaken for the specific purpose of affecting legislation during the previous year. The report shall include the following expenditures which relate to direct, express and intentional communication with legislators for the specific purpose of affecting legislation: media, including advertising; entertainment; food and beverage; travel and lodging; honoraria; loans; gifts; salary, fees, allowances or other compensation paid to a legislative agent. The expenditures shall be reported whether made to a legislator, legislative agent or lobbyist. The expenditures shall be reported in the aggregate by category, except that if the aggregate expenditures on behalf of a legislator or the Governor or his staff exceed $25.00 per day, they shall be detailed separately as to the name of the legislator or the Governor or his staff, date and type of expenditure, amount of expenditure and to whom paid. Where the expenditures in the aggregate on behalf of any one legislator or the Governor or his staff exceed $200.00 per year, the expenditures, together with the name of the legislator or the Governor or his staff, shall be stated in detail including the type of each expenditure, amount of expenditure and to whom paid. Where the expenditures in the aggregate with respect to any specific occasion are in excess of $100.00, the report shall include the date and type of expenditure, amount of expenditure and to whom paid. The Election Law Enforcement Commission may, in its discretion, permit joint reports by legislative agents. No legislative agent shall be required to file a report unless all moneys, loans, paid personal services or other things of value contributed to it for the purpose of direct, express and intentional communication with legislators or the Governor or his staff undertaken for the specific purpose of affecting legislation exceed $2,500.00 in any year or unless all expenditures made, incurred or authorized by it for the purpose of direct, express or intentional communication with legislators or the Governor or his staff undertaken for

the specific purpose of affecting legislation exceed $2,500.00 in any year.

Any lobbyist who receives contributions or makes expenditures to influence legislation shall be required to file and certify the correctness of a report of such contributions or expenditures if the contributions or expenditures made, incurred or authorized by it for the purpose of direct, express or intentional communication with legislators or their staffs or the Governor or his staff undertaken for the specific purpose of affecting legislation exceed, in the aggregate, $2,500.00 in any year. Any lobbyist required to file a report pursuant to this section may designate a legislative agent in its employ or otherwise engaged or used by it to file a report on its behalf; provided such designation is made in writing by the lobbyist, is acknowledged in writing by the designated legislative agent and is filed with the Election Law Enforcement Commission on or before the date on which the report of the lobbyist is due for filing; and further provided that any violation of this act shall subject both the lobbyist and the designated legislative agent to the penalties provided in this act.

C. 52:13C-22.2 Penalties.

3. (New section) Upon receiving evidence of any violation of this act the Election Law Enforcement Commission shall have power to bring complaint proceedings, to issue subpenas for the production of witnesses and documents, and to hold or to cause to be held by the Office of Administrative Law, hearings upon such complaint. In addition to any other penalty provided by law, any person who is found to have violated this act shall be liable for civil penalty not in excess of $1,000.00, which penalty may be collected in a summary proceeding pursuant to "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.).

C. 52:13C-21a Service of process.

4. (New section) Any legislative agent or lobbyist not a resident of this State, or not a corporation of this State or authorized to do business in this State, shall file with the Election Law Enforcement Commission, before attempting to influence legislation, its consent to service of process at an address within this State, or by regular mail at an address outside this State.

C. 52:13C-22.3 Rules and regulations.

5. (New section) The Election Law Enforcement Commission shall adopt such rules and regulations as may be necessary to effectuate the purposes of this act.

6. This act shall take effect immediately, but the initial reports required by this act shall be filed not later than January 31, 1982 for the year 1981.

Approved May 22, 1981.

CHAPTER 151

AN ACT to amend "An act concerning the reporting of campaign contributions and expenditures, limiting election campaign expenditures, establishing an Election Law Enforcement Commission and prescribing its powers and duties, making an appropriation therefor, amending R. S. 19:5–5 and repealing R. S. 19:3–8, 19:34–36 and 19:34–37, chapters 40, 41, 42, 43 and 44 of the Title 19 of the Revised Statutes and chapter 152 of the laws of 1946," approved April 24, 1973 (P. L. 1973, c. 83).

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

1. Section 2 of P. L. 1973, c. 83 (C. 19:44A–2) is amended to read as follows:

C. 19:44A-2 Declaration of policy.

2. It is hereby declared to be in the public interest and to be the policy of the State to limit the campaign expenditures by candidates for public office and to require the reporting of all contributions received and expenditures made to aid or promote the nomination, election or defeat of any candidate for public office or to aid or promote the passage or defeat of a public question in any election and to require the reporting of all contributions received and expenditures made to provide political information on any candidate for public office, or on any public question.

2. Section 3 of P. L. 1973, c. 83 (C. 19:44A–3) is amended to read as follows:

C. 19:44A-3 Definitions.

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

a. The term "allied candidates" means candidates in any election who are (1) seeking nomination or election (A) to an office or offices

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in the same county or municipal government or school district or (B) to the Legislature representing in whole or part the same constituency (C) as members of the State committee of the same political party from the same county or (D) as delegates or alternates to the national convention of the same political party; and who are (2) either (A) nominees of the same political party or (B) publicly declared in any manner, including the seeking or obtaining of any ballot position or common ballot slogan, to be aligned or mutually supportive.

b. The term "allied campaign organization" means any political committee, any State, county or municipal committee of a political party or any campaign organization of a candidate which is in support or furtherance of the same candidate or any one or more of the same group of allied candidates or the same public question as any other such committee or organization.

c. The term "candidate" means an individual seeking or having sought election to a public office of the State or of a county, municipality or school district at a primary, general, municipal, school or special election; except that the term shall not include the office of county committeeman or committeewoman.

d. The terms "contributions" and "expenditures" include all loans and transfers of money or other thing of value to or by any candidate, political committee, committee of a political party or political information organization, and all pledges or other commitments or assumptions of liability to make any such transfer; and for purposes of reports required under the provisions of this act shall be deemed to have been made upon the date when such commitment is made or liability assumed.

e. The term "election" means any election described in section 4 of this act.

f. The term "paid personal services" means personal, clerical, administrative or professional services of every kind and nature including, without limitation, public relations, research, legal, canvassing, telephone, speech writing or other such services, performed other than on a voluntary basis, the salary, cost or consideration for which is paid, borne or provided by someone other than the committee, candidate or organization for whom such services are rendered. In determining the value, for the purpose of reports required under this act, of contributions made in the form of paid personal services, the person contributing such services shall furnish to the campaign treasurer through whom such contribution is made a statement setting forth the actual amount of

compensation paid by said contributor to the individuals actually performing said services for the performance thereof. But if any individual or individuals actually performing such services also performed for the contributor other services during the same period, and the manner of payment was such that payment for the services contributed cannot readily be segregated from contemporary payment for the other services, the contributor shall in his statement to the campaign treasurer so state and shall either (1) set forth his best estimate of the dollar amount of payment to each such individual which is attributable to the contribution of his paid personal services, and shall certify the substantial accuracy of the same, or (2) if unable to determine such amount with sufficient accuracy, set forth the total compensation paid by him to each such individual for the period of time during which the services contributed by him were performed. If any candidate is a holder of public office to whom there is attached or assigned, by virtue of said office, any aide or aides whose services are of a personal or confidential nature in assisting him to carry out the duties of said office, and whose salary or other compensation is paid in whole or part out of public funds, the services of such aide or aides which are paid for out of public funds shall be for public purposes only; but they may contribute their personal services, on a voluntary basis, to such candidate for election campaign purposes.

g. The term "political information organization" means any two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, whether or not it is required to be registered pursuant to the "Legislative Activities Disclosure Act of 1971" (P. L. 1971, c. 183), which is organized for the purpose of, or which provides political information concerning any candidate or candidates for public office or with respect to any public question.

The term shall not apply to any bona fide newspaper, magazine, radio or television station or other bona fide news medium disseminating political information, advertising and comment in the normal course of its business; nor to any recognized school or institution of higher education, public or private, in conducting, sponsoring or subsidizing any classes, seminars, forums, discussions or other events in which political information or discussion thereof or comment thereon is an integral part.

h. The term "political information" means any statement including but not limited to, press releases, pamphlets, newsletters, advertisements, flyers, form letters, or radio or television programs

or advertisements which reflect the opinion of the members of the organization on any candidate or candidates for public office, on any public question, or which contains facts on any such candidate, or public question whether or not such facts are within the personal knowledge of members of the organization.

i. The term "political committee" means any two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association which is organized to, or does, aid or promote the nomination, election or defeat of any candidate or candidates for public office, or which is organized to, or does, aid or promote the passage or defeat of a public question in any election.

j. The term "public solicitation" means any activity by or on behalf of any candidate, State, county or municipal party committee, political committee or political information organization whereby either (1) members of the general public are personally solicited for cash contributions not exceeding $10.00 from each person so solicited and contributed on the spot by the person so solicited to a person so soliciting or through a receptacle provided for the purpose of depositing contributions, or (2) members of the general public are personally solicited for the purchase of items having some tangible value as merchandise, at a price not exceeding $10.00 per item, which price is paid on the spot in cash by the person so solicited to the person so soliciting, when the net proceeds of such solicitation are to be used by or on behalf of such candidate, party committee, or political committee or political information organization.

k. The term "testimonial affair" means an affair of any kind or nature including, without limitation, cocktail parties, breakfasts, luncheons, dinners, dances, picnics or similar affairs directly or indirectly intended to raise campaign funds in behalf of a person who holds, or who is or was a candidate for nomination or election to a public office in this State, or directly or indirectly intended to raise funds in behalf of any State, county or municipal committee of a political party or in behalf of a political committee, or directly or indirectly intended to raise funds for any political information organization.

l. The term "other thing of value" means any item of real or personal property, tangible or intangible, but shall not be deemed to include personal services other than paid personal services.

m. The term "qualified candidate" means:

(1) Any candidate for election to the office of Governor whose name appears on the general election ballot and who has deposited and expended $40,000.00 pursuant to section 7 of this amendatory and supplementary act; or

(2) Any candidate for election to the office of Governor whose name does not appear on the general election ballot but who has deposited and expended $40,000.00 pursuant to section 7 of this amendatory and supplementary act.

3. Section 4 of P. L. 1973, c. 83 (C. 19:44A–4) is amended to read as follows:

C. 19:44A-4 Applicability of act's provisions.

4. The provisions of this act shall apply:

a. (Deleted by amendment.)

b. In any primary election for delegates and alternates to the national conventions of a political party;

c. In any election at which a public question is to be voted upon by the voters of the State or any political subdivision thereof;

d. In any primary, general, special, school or municipal election for any public office of the State or any political subdivision thereof; provided, however, that this act shall not apply to elections for county committeeman or committeewoman.

4. Section 8 of P. L. 1973, c. 83 (C. 19:44A–8) is amended to read as follows:

C. 19:44A-8 Reports to commission; form; contents.

8. Each State, county and municipal committee of a political party, each political committee and each political information organization shall make a full report, upon a form prescribed by the Election Law Enforcement Commission of all moneys, loans, paid personal services, or other things of value contributed to it and all expenditures made, incurred, or authorized by it in furtherance of the nomination, election or defeat of any candidate, or in aid of the passage or defeat of any public question, or to provide political information on any candidate or public question, during the period ending with the day preceding the date of the report and beginning on the date of the most recent such report filed. The report, except as hereinafter provided, shall contain the name and address of each person or group from whom moneys, loans, paid personal services or other things of value have been contributed and the amount contributed by each person or group. The report shall also contain the name and address of each person, firm

or organization to whom expenditures have been paid and the amount and purpose of each such expenditure. The report shall be filed with the Election Law Enforcement Commission on the dates designated in section 16 hereof. The campaign treasurer of the committee or political committee reporting or the treasurer of the political information organization reporting shall certify to the correctness of each report.

Each State, county and municipal committee of a political party and each political information organization shall also file with the Election Law Enforcement Commission, not later than March 1 of each year, an annual report of all moneys, loans, paid personal services or other things of value contributed to it during the previous calendar year and all expenditures made, incurred, or authorized by it, whether or not such expenditures were made, incurred or authorized in furtherance of the election or defeat of any candidate, or in aid of the passage or defeat of any public question or to provide information on any candidate or public question. The report shall contain the name and address of each person or group from whom moneys, loans, paid personal services or other things of value have been contributed and the amount contributed by each person or group. The report shall also contain the name and address of each person, firm or organization to whom expenditures have been paid and the amount and purpose of each such expenditure. The treasurer of the committee or organization reporting shall certify to the correctness of each report.

In any report filed pursuant to the provisions of this section the organization or committee reporting may exclude from the report the names and addresses of contributors whose contributions during the period covered by the report did not exceed $100.00; provided, however, that (1) such exclusion is unlawful if any person responsible for the preparation or filing of the report knew that it was made with respect to any person whose contributions relating to the same election or issue and made to the reporting organization or committee or to an allied campaign organization or organizations aggregate, in combination with the contribution in respect of which such exclusion is made, more than $100.00 and (2) any person who knowingly prepares, assists in preparing, files or acquiesces in the filing of any report from which the identification of a contributor has been excluded contrary to the provisions of this section is subject to the provisions of section 21 of this act, but (3) nothing in this proviso shall be construed as requiring any committee or organization reporting pursuant to this act to report

the amounts, dates or other circumstantial data regarding contributions made to any other organization or political committee, committee of a political party or campaign organization of a candidate.

Any report filed pursuant to the provisions of this section shall include an itemized accounting of all receipts and expenditures relative to any testimonial affairs held since the date of the most recent report filed, which accounting shall include the names and addresses of each contributor in excess of $100.00 to such testimonial affair and the amount contributed by each, the expenses incurred, and the disposition of the proceeds of such testimonial affair.

No State, county or municipal committee of a political party nor any political committee nor any political information organization shall be required to file reports pursuant to this section of contributions received or expenditures made in behalf of any candidate who is not required to file reports pursuant to section 16 of this act.

5. Section 13 of P. L. 1973, c. 83 (C. 19:44A–13) is amended to read as follows:

C. 19:44A-13 Designation of treasurer and depository; filing with commission; resignation or removal; appointment of successor.

13. Each political information organization shall, on or before January 31 in each year, designate a treasurer and a depository and shall file the name and address thereof with the Election Law Enforcement Commission.

Every political information organization shall, before receiving any contribution or expending any money to provide any political information on any candidate, or public question, appoint one treasurer and designate one depository and file the name and address thereof with the Election Law Enforcement Commission. The treasurer of a political information organization may appoint deputy treasurers as may be required and may designate additional depositories. Such organizations shall file the names and addresses of such deputy treasurers and additional depositories with the Election Law Enforcement Commission.

Any political information organization may remove its treasurer or deputy treasurer. In the case of the death, resignation or removal of its treasurer, the organization shall appoint a successor within 10 days and shall file his name and address with the Election Law Enforcement Commission within 3 days.

6. Section 14 of P. L. 1973, c. 83 (C. 19:44A–14) is amended to read as follows:

C. 19:44A-14 Expenditures only through treasurers; personal funds; anonymous contributions.

14. No contribution of money or other thing of value, nor obligation therefor, including but not limited to contributions, loans or obligations shall be made to or received by a political information organization, and no expenditure of money or other thing of value, nor obligation therefor, including expenditures, loans or obligations shall be made or incurred, directly or indirectly, by a political information organization to provide information on any candidate or public question except through the duly appointed treasurer or deputy treasurer of the political information organization.

It shall be lawful, however, for any person, not acting in concert with any other person or group, to expend personally from his own funds a sum which is not to be repaid to him for any purpose not prohibited by law, or to contribute his own personal services and personal traveling expenses, to provide political information on any candidate or public question; provided, however, that the person making such expenditure shall be required to report all such expenditures and expenses except personal traveling expenses if the total of the money so expended, exclusive of such travel expenses, exceeds $100.00, either:

a. To the treasurer of the political information organization on whose behalf such expenditure or contribution was made, or to his deputy, who shall cause the same to be included in his report to the Election Law Enforcement Commission; or

b. Directly to the Election Law Enforcement Commission at the same time and in the same manner as a political information organization subject to the provisions of section 8 of this act.

Any anonymous contribution received by a treasurer or deputy treasurer of a political information organization shall not be used or expended, but shall be returned to the donor, if his identity is known, and if no donor is found, the contribution shall escheat to the State.

7. This act shall take effect when Senate Bill No. 1396 of 1980 is enacted into law.

Approved May 22, 1981.

CHAPTER 152

AN ACT concerning exemptions from transfer inheritance taxation and amending R. S. 54:34–4.

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

1. R. S. 54:34–4 is amended to read as follows:

Exemptions from taxation.

54:34–4. The following transfers of property shall be exempt from taxation:

a. Property passing to or for the use of the State of New Jersey, or to or for the use of a municipal corporation within the State or other political subdivision thereof, for exclusively public purposes.

b. Property passing to a beneficiary or beneficiaries having any present or future, vested, contingent or defeasible interest under any trust deed or agreement heretofore or hereafter executed by a resident or nonresident decedent, to the extent that the trust fund results from the proceeds of contracts of insurance heretofore or hereafter in force, insuring the life of such decedent, and paid or payable, at or after the death of such decedent, to the trustee or trustees under such trust deed or agreement.

c. Property passing to (i) a trustee or trustees of any trust deed or agreement heretofore or hereafter executed or (ii) to a trustee or trustees of a trust created by the will of a decedent, by virtue of any contract of insurance heretofore or hereafter in force insuring the life of a resident or nonresident decedent and the proceeds of which are paid or payable at or after the death of such decedent to such trustee or trustees for the benefit of a beneficiary or beneficiaries having any present or future, vested, contingent or defeasible interest under such trust deed, agreement or will.

d. That part of the estate of any decedent which passes to, for the use of or in trust for any educational institution, church, hospital, orphan asylum, public library or Bible and tract society or to, for the use of or in trust for any institution or organization organized and operated exclusively for religious, charitable, benevolent, scientific, literary or educational purposes, including any institution instructing the blind in the use of dogs as guides, no part of the net earnings of which inures to the benefit of any private

stockholder or other individual or corporation; provided, that this exemption shall not extend to transfers of property to such educational institutions and organizations of other states, the District of Columbia, territories and foreign countries which do not grant an equal, and like exemption of transfers of property for the benefit of such institutions and organizations of this State.

e. That part of the estate of any decedent who has heretofore died, or may hereafter die, received, either heretofore or hereafter, by the legal representatives of such decedent, whether directly from the United States, or through any intervening estate or estates, by reason of any war risk insurance certificate or policy, either term or converted, or any adjusted service certificate, issued by the United States. Nothing contained in this subsection e. shall entitle any person to a refund of any tax heretofore paid on the transfer of property of the nature aforementioned; and provided further, that the exemption provided for in this subsection e. shall not extend to that part of the estate of any decedent composed of property of the nature aforementioned, when such property was received by the decedent before death.

f. The proceeds of any contract of insurance heretofore or hereafter in force insuring the life of a resident or nonresident decedent paid or payable at or after the death of such decedent to any beneficiary or beneficiaries other than the estate or the executor or administrator of such decedent.

g. Any transfer, relinquishment, surrender or exercise at any time or times by a resident or nonresident of any right to nominate or change the beneficiary or beneficiaries of any contract of insurance heretofore or hereafter in force insuring the life of such resident or nonresident irrespective of whether such transfer relinquishment, surrender or exercise of such right took place or whether the proceeds of such policy were paid or payable, before or after the taking effect of this act.

h. The value of any pension, annuity, retirement allowance, return of contributions, or benefit payable by the Government of the United States pursuant to the Civil Service Retirement Act to a beneficiary or beneficiaries other than the estate or the executor or administrator of a decedent.

i. The value of any annuity payable by the Government of the United States pursuant to the Retired Serviceman's Family Protection Plan or the Survivor Benefit Plan to a beneficiary or beneficiaries other than the estate or the executor or administrator of a decedent.

j. The value of any pension, annuity, retirement allowance or return of contributions, regardless of the source, which is a direct result of the decedent's employment under a qualified plan as defined by section 401 (a), (b) and (c) or 2039 (c) of the Internal Revenue Code, payable to a surviving spouse, and not otherwise exempted pursuant to this section or other law of the State of New Jersey.

2. This act shall take effect immediately.

Approved May 22, 1981.

CHAPTER 153

AN ACT to amend and supplement "An act concerning Banking and Banking Institutions (Revision of 1948)," approved April 29, 1948 (P. L. 1948, c. 67), and amending P. L. 1969, c. 244, P. L. 1973, c. 328 and P. L. 1979, c. 226.

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

1. Section 24 of P. L. 1948, c. 67 (C. 17:9A–24) is amended to read as follows:

C. 17:9A-24 Powers of banks and savings banks.

24. Powers of banks and savings banks. Every bank and savings bank shall, subject to the provisions of this act, have the following powers, whether or not such powers are specifically set forth in its certificate of incorporation:

(1) To adopt a corporate seal, and to sue and be sued;

(2) To issue cashier's checks, treasurer's checks, and money orders; to transmit funds; to guarantee signatures and endorsements;

(3) To borrow money, and to pledge, mortgage or hypothecate its real or personal property as security therefor, and to execute and deliver all such instruments as may be necessary to evidence such borrowing, pledge, mortgage, or hypothecation;

(4) To keep, maintain, and rent out for hire, at any location occupied by its principal office or any branch office, safe deposit boxes or other receptacles for the safekeeping of personal property.

In exercising the powers authorized by this paragraph, the bank or savings bank shall have, but shall not be confined to, the same rights and remedies conferred upon safe deposit companies;

(5) To purchase, hold, lease and convey real property or any interest therein for the following purposes, and for no others:

(a) such as may be necessary or convenient for the use, operation, or housing of its principal office or any branch office, or an auxiliary office, or for the storage of records or other personal property, or for office space for use by its officers or employees, or which may be reasonably necessary for future expansion of its business, or which is otherwise reasonably incidental to the conduct of its business; and which may include, in addition to the space required for the transaction of its business, other space which may be let as a source of income. In exercising the powers conferred by this subparagraph, the bank or savings bank shall be subject to the limitations imposed by paragraph (13) of this section;

(b) such as may be conveyed to it in whole or part satisfaction of debts previously contracted in the course of its dealings;

(c) such as it shall purchase at sale under judgments and decrees in its favor, and on foreclosure of mortgages held by it; and

(d) such as it shall purchase or acquire to minimize or prevent the loss or destruction of any lien or interest therein;

(e) such as may be permitted for associations pursuant to subsections (4) and (21) of section 48 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–48);

provided, that all real property not held for any purpose specified in subparagraph (a) of this paragraph, shall be sold within 5 years of its acquisition, or within 5 years after the time it ceases to be held for any purpose specified in subparagraph (a) of this paragraph, unless the commissioner shall extend the time within which such sale shall be made;

(6) To be a member of the Federal Reserve System; to subscribe for, purchase, hold, and surrender such amounts of the capital stock of the Federal Reserve Bank organized within the district in which such bank or savings bank is located as may be required or as may be deemed advisable by such bank or savings bank; and to have and exercise all powers, privileges and options which are conferred by law upon such members; to comply with all require-

ments of Federal legislation and the rules and regulations lawfully promulgated thereunder governing such membership as such legislation and such rules and regulations may provide at the time of inception of such membership, and as the same may from time to time thereafter be amended or supplemented; and to assume and discharge all liabilities and obligations which may be required by reason of such membership;

(7) To be a member of Federal Deposit Insurance Corporation, or of any successor corporation having for its purpose the insurance of deposits, and to do all things, and assume and discharge all liabilities and obligations imposed upon such members by Federal legislation or by rules and regulations lawfully promulgated pursuant thereto, as the same may provide at the inception of such membership, or as the same may thereafter be amended or supplemented;

(8) To be a member of any Federal agency hereafter created, membership in which is open to banking institutions, and the purpose of which is to afford advantages or safeguards to banking institutions, or to their depositors, and to comply with all the requirements and conditions imposed upon such members, except that the power by this paragraph conferred shall not be exercised unless the commissioner, with the concurrence of the banking advisory board, shall make a general order authorizing banks or savings banks, or both, to become and be such members, upon such terms and conditions as may in such order be prescribed;

(9) To subscribe for, purchase and hold stock of one or more safe deposit companies which have been or may be organized to do business on or adjacent to premises occupied by the principal office or a branch office of the bank or savings bank; provided, that

(a) in the case of a savings bank, the amount so invested shall not exceed 5% of its surplus; and

(b) in the case of a bank, the amount so invested shall not exceed 10% of its capital stock and surplus; and

(c) each purchase of such stock shall first have been authorized by a resolution, stating the number of shares to be purchased and the amount to be paid therefor, adopted by its board of directors or board of managers, and, in the case of a bank, approved by a majority in interest of its stockholders at any annual or special meeting; and

(d) each purchase of such stock by a bank or savings bank shall have been approved in writing by the commissioner;

(10) To subscribe for, purchase and hold stock of not more than one fiduciary institution organized under any law of this State hereafter enacted; provided, that

(a) in the case of a savings bank, the amount so invested shall not exceed 10% of its surplus; and

(b) in the case of a bank, the amount so invested shall not exceed 20% of its capital stock and surplus; and

(c) each purchase of such stock shall first have been authorized by a resolution, stating the number of shares to be purchased and the amount to be paid therefor, adopted by its board of directors or board of managers, and, in the case of a bank, approved by a majority in interest of its stockholders at any annual or special meeting; and

(d) each purchase of such stock by a bank or savings bank shall have been approved in writing by the commissioner;

(11) To contribute to community funds, or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare, or civic betterment, or the economic advantage of the community, and to instrumentalities for the protection or advancement of the interests of banking institutions, such sums as its board of directors or board of managers may deem expedient and in the interests of such bank or savings bank;

(12) To exercise all incidental powers, not specifically enumerated in this act, which shall be necessary or convenient to carry the business of the bank or savings bank;

(13) To invest in stock of a subsidiary of such bank or savings bank which holds title to real property of the kind in which such bank or savings bank could itself invest pursuant to subparagraph (a) of paragraph (5) of this section, and to make secured or unsecured loans to such subsidiary, without regard to the limitations imposed by Article 13; but no bank or savings bank shall, except with the prior approval of the commissioner (1) invest in real property pursuant to subparagraph (a) of paragraph (5) of this section; or (2) invest in the stock or other securities of such subsidiary; or (3) make a loan to such subsidiary, if the aggregate of all such investments and loans, when added to any indebtedness otherwise owing by the subsidiary, will exceed 25% of the capital funds of the bank or savings bank. As used in this paragraph, "subsidiary" of a bank or savings bank means a corporation all of whose capital stock and other securities having voting rights are owned by such bank or savings bank, and whose powers are limited

by its certificate of incorporation, to the acquiring, holding, managing, selling, leasing, mortgaging, altering, improving and otherwise dealing in and with real property of the kind in which the bank or savings bank could itself invest pursuant to subparagraph (a) of paragraph (5) of this section; and "capital funds" means the aggregate of the capital stock, the principal amount owing on all capital notes, surplus and undivided profits of a bank, and the aggregate of the capital deposits, if any, and the surplus of a savings bank. Every subsidiary of a bank or savings bank shall be subject to examination by the commissioner as provided in the case of banks and savings banks pursuant to sections 260, 261, 262, 263 and 335, and the ultra vires or unlawful act of a subsidiary of a bank or savings bank shall be deemed to be the ultra vires or unlawful act of such bank or savings bank for the purposes of Article 42. In determining whether to give or withhold approval of an investment or loan in excess of the limitation imposed by this paragraph, the commissioner shall consider whether the making of such loan or investment is consistent with sound banking practice, having regard to (1) the ratio between the aggregate of such loans and investments and the capital funds of the bank or savings bank; (2) the benefits to the bank or savings bank reasonably to be anticipated from such investment or such loan; (3) the ratio between such aggregate capital funds and total deposits; and (4) such other factors as the commissioner shall consider germane to the protection of deposits. A violation of any provision of this paragraph by any bank, savings bank, or subsidiary of a bank or savings bank, shall not impair the validity or sufficiency of any deed of conveyance, mortgage, or lease made by such bank, savings bank, or subsidiary, of real property owned by it; nor shall any other interest in such real property, acquired by or vested in any person claiming through or under such bank, savings bank, or subsidiary, or to which such person may be entitled, be impaired by reason of such violation.

2. Section 8 of P. L. 1979, c. 226 (C. 17:9A–24.9) is amended to read as follows:

C. 17:9A-24.9 Additional powers of banks and savings banks.

8. Additional powers of banks and savings banks. In addition to the powers which banks and savings banks may otherwise exercise, every bank and savings bank, as defined in section 1 of "The Banking Act of 1948," P. L. 1948, c. 67, shall have power (1) to subscribe for, purchase and hold stock of one or more insurance companies

organized under the laws of this State which have been or may hereafter be limited to insure banks, savings banks and other depository institutions (a) against loss from the defaults of persons in positions of trust, public or private, or against loss or damage on account of neglect or breaches of duty or obligations guaranteed by the insurer; and against loss of any bills of exchange, notes, checks, drafts, acceptances of drafts, bonds, securities, evidences of debt, deeds, mortgages, documents, gold or silver, bullion, currency, money, platinum and other precious metals, refined or unrefined and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semiprecious stones, and also against loss resulting from damage, except by fire, to the insured's premises, furnishings, fixtures, equipment, safes and vaults therein caused by burglary, robbery, hold-up, theft or larceny, or attempt thereat. No such indemnity indemnifying against loss of any property as specified herein shall indemnify against the loss of any such property occurring while in the mail or in the custody or possession of a carrier for hire for the purpose of transportation, except for the purpose of transportation by an armored motor vehicle accompanied by one or more armed guards; and

(b) Against loss or damage by burglary, theft, larceny, robbery, forgery, fraud, vandalism or malicious mischief, or any one or more of such hazards; and against any and all kinds of loss or destruction of or damage to moneys, securities, currencies, scrip, coins, bullion, bonds, notes, drafts, acceptances of drafts, bills of exchange and other valuable papers or documents, except while in the custody or possession of and being transported by a carrier for hire or in the mail.

(2) To make loans and investments as authorized for associations by, and subject to the limitations of, subsection (J) (2) of section 155 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–155).

(3) To make loans and investments as authorized for associations by, and subject to the limitations of, sections 157 through 164 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–157 through C. 17:12B–164).

(4) To extend credit through the use of credit cards issued by it through an arrangement with participating vendors, and without limitation of the generality of the foregoing, to exercise all the powers permitted to associations pursuant to subsection 18 of section 48 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–48).

(5) To make any investment authorized for associations by section 165 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–165), provided, however, that where reference is made to State associations or Federal associations therein such reference for purposes of this act shall be deemed to refer to banking institutions as defined in section 1 of "The Banking Act of 1948," P. L. 1948, c. 67 (C. 17:9A–1).

3. Section 5 of P. L. 1969, c. 244 (C. 17:9A–25.5) is amended to read as follows:

C. 17:9A-25.5 Additional powers.

5. A. In addition to the powers which banks may otherwise exercise, every bank, as defined in the act to which this act is a supplement, shall have the following powers, whether or not such powers are specifically set forth in its certificate of incorporation:

(1) To disburse to customers' employees, payroll funds deposited with it by such customers for such purpose, either by direct payment to such employees on or away from the banking premises, or by crediting an account standing in an employee's name in such bank;

(2) To provide and receive compensation for travel services rendered to its customers and others, including the sale of trip insurance and the rental of automobiles as agent for a local rental service;

(3) To provide customers with messenger service by means of armored car or otherwise. In such a case, the messenger shall be the agent of the customer, and any deposits collected by such agent shall be deemed not to be received by the bank until delivered at the bank to an employee authorized to receive deposits;

(4) To designate bonded agents to sell money orders of the bank away from the banking premises;

(5) To become the owner and lessor of personal property upon the request of and for the use of a customer, and to incur such obligations as may be incidental to such ownership;

(6) To purchase open accounts;

(7) To extend credit through the use of credit cards issued by it through an arrangement with participating vendors, and without limitation of the generality of the foregoing, to exercise all the powers permitted to associations pursuant to subsection 18 of section 48 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–48);

(8) To make any investment authorized for associations by Section 165 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12–165), provided, however, that where reference is made to State associations or Federal associations therein, such reference for purposes of this act shall be deemed to refer to banking institutions as defined in section 1 of "The Banking Act of 1948," P. L. 1948, c. 67;

(9) To exercise all other powers, not herein specifically enumerated, which are reasonably related or incidental to the exercise of the foregoing powers.

B. The commissioner may, by regulation, prescribe the manner in which and the extent to which the foregoing powers may be exercised, and may, by regulation, prescribe other powers, not otherwise expressly authorized or prohibited, which banks may exercise. Regulations so made shall be directed toward creating or maintaining substantial equality between State-regulated and Federally-regulated banks, to the end that no class or group of banks shall have any substantial competitive advantage over another.

4. Section 65 of P. L. 1948, c. 67 (C. 17:9A–65) is amended to read as follows:

C. 17:9A-65 Real property mortgages.

65. Real property mortgages. A. No bank shall make a mortgage loan secured by a mortgage upon real property unless

(1) The mortgaged property is located within this State, or, if outside this State, the mortgaged property is located within 50 miles of the border of this State; or if the mortgaged property is located outside this State and is more than 50 miles from the border of this State, the payment of the mortgage loan is insured or guaranteed, or is the subject of an unconditional commitment for such insurance or guarantee, to the extent provided for in subsection A of section 68, by the Federal Housing Commissioner or by the United States, or by this State; or, the mortgaged property is located as permitted for associations pursuant to section 146 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–146);

(2) The mortgaged property shall consist of improved real property, including farmlands, or unimproved real property if the proceeds of such loan shall be used for the purpose of erecting improvements thereon;

(3) The mortgage securing such loan shall constitute a first lien on a fee; a mortgage shall be deemed a first lien notwithstanding

the existence of a prior mortgage or mortgages held by the bank, or liens of taxes which are not delinquent, building restrictions or other restrictive covenants or conditions, leases or tenancies whereby rents or profits are reserved to the owner, joint driveways, sewer rights, rights in walls, rights-of-way or other easements, or encroachments, which the persons signing the certificate provided for in section 67 report in their opinion do not materially affect the security for the mortgage loan. Every mortgage shall be certified to be such a first lien by an attorney-at-law of the State in which the real property is located, or certified or guaranteed to be such a first lien by a corporation authorized to guarantee titles to land in such State;

(4) No such loan shall be made for a period longer than 40 years from its date, and no such loan shall exceed 80% of the appraised value of the mortgaged property; provided, that there shall be included in the appraised value of the mortgaged property, for the purpose of this paragraph (4), the value of the improvements to be erected upon the mortgaged property wholly or partly with the proceeds of such loan; and

(5) The instrument evidencing the loan shall require payment to be made during each year on account of the principal amount of the loan at a rate not less than 1% per annum of the original amount of the loan, if the original amount of the loan does not exceed 50% of the appraised value of the mortgaged property; or 2% per annum of the original amount of the loan, if the loan exceeds 50% but does not exceed 66⅔% of such appraised value; or 4% per annum of the original amount of the loan, if the loan exceeds 66⅔% of such appraised value; provided, that, in lieu of such principal payments, the instrument evidencing any mortgage loan may require equal monthly payments, each applicable to principal and interest, in an amount sufficient to pay current interest and to repay the amount of the loan in not more than 40 years from its date; and provided further, that when the proceeds of any such loan are to be used to pay, in whole or in part, the cost of constructing a building or buildings on the mortgaged property, and such proceeds are paid by the bank from time to time, final payment being made at or after completion, the instrument evidencing such loan need not require that any payment be made on account of the principal amount of the loan during the period from the date of such loan to a date not more than 18 months from the date of such loan; and such date marking the end of the period during which no payments are required to be made on

account of the principal amount of the loan, shall be deemed to be the date of such loan for the purpose of reckoning the 40-year period limited for the payment of such loan by this paragraph (5), and by paragraph (4) of this section.

B. The commissioner may, from time to time, with the concurrence of the banking advisory board, make, alter and rescind regulations:

(1) Authorizing banks to make mortgage loans, or specified types or classes of mortgage loans, (a) which exceed 80% of the appraised value of the mortgaged property; (b) which mature in more than 25 years from their date; (c) which require smaller annual payments on account of the principal amounts thereof than those specified in paragraph (5) of subsection A of this section; (d) which provide for equal monthly payments, each applicable to principal and interest, in amounts sufficient to pay current interest on and to repay the amount of the loan in such number of years, more than 40 but not more than 45, as the regulation may specify; or (e) which substantially conform to the terms and conditions of mortgage loans authorized to be made by associations pursuant to the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–1 et seq.);

(2) Defining "improved real property" for the purposes of paragraph (2) of subsection A of this section;

(3) Increasing the percentage of the time deposits or the aggregate of the unimpaired capital stock and surplus of banks which banks may invest in mortgage loans beyond the limitation expressed in subsection A of section 69;

(4) Increasing the percentage of the principal balances owing on mortgage loans of the kind referred to in section 68 which shall not be included in the total of all principal balances owing on mortgage loans for the purposes of subsection A of section 69, or eliminating entirely the principal balances owing on such mortgage loans from such total of all principal balances.

C. In making, altering and rescinding regulations pursuant to subsection B of this section, the commissioner and the banking advisory board shall consider the statutes and regulations applicable to national banks in the making or acquiring of loans secured by interest in real property and the practices followed by national banks in the making or acquiring of such loans. The regulations so made shall, so far as the commissioner and the banking advisory board deem to be warranted by the state of the economy and to be consistent with sound banking practices, be directed toward the

creation and maintenance of a substantial parity between banks and national banks in all matters relating to the making and acquiring of loans secured by interests in real property. The power to regulate as provided in subsection B of this section may be exercised by the commissioner and the banking advisory board within the standards established by this subsection, notwithstanding that the subject of such regulation is not expressly set forth in subsection B of this section.

5. Section 2 of P. L. 1973, c. 328 (C. 17:9A–65.1) is amended to read as follows:

C. 17:9A-65.1 Interest; collection; computation.

2. A. Notwithstanding any other law or regulation to the contrary, with respect to the provisions of section 147 of P. L. 1963, c. 144 (C. 17:12B–147) and section 65 of P. L. 1948, c. 67 (C. 17:9A–65), any banking institution or savings and loan association may, at the option of such banking institution or savings and loan association, collect only interest as required periodic payments during the first 5 years of a mortgage loan.

B. Any banking institution may compute interest on any mortgage loan as permitted for an association pursuant to section 48 (14) of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–48).

C. Any banking institution may collect interest on any mortgage loan as permitted for an association pursuant to section 48 (11) of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–48).

6. Section 66 of P. L. 1948, c. 67 (C. 17:9A–66) is amended to read as follows:

C. 17:9A-66 Leasehold mortgages.

66. Leasehold mortgages. No bank shall make a mortgage loan secured by a mortgage upon a lease of the fee of real property unless

(1) the leased property is located within this State or, if outside this State, the leased property is located within fifty miles of the border of this State;

(2) the leased property shall consist of improved real property, including farmlands, or unimproved property if the proceeds of such loan shall be used for the purpose of erecting improvements thereon;

(3) the mortgage securing such loan shall constitute a first lien on a lease of the fee of real property, which fee is not subject to any prior lien; the fee shall be deemed not subject to any prior lien notwithstanding the existence of liens of taxes which are not delinquent, building restrictions or other restrictive covenants or conditions, joint driveways, sewer rights, rights in walls, rights of way or other easements, or encroachments, which the persons signing the certificate provided for in section 67 report in their opinion do not materially affect the security for the mortgage loan. Every mortgage shall be certified to be such a first lien by an attorney-at-law of the state in which the real property is located, or certified or guaranteed to be such a first lien by a corporation authorized to guarantee titles to land in such state;

(4) such loan shall not exceed 66⅔% of the appraised value of the leasehold interest subject to the mortgage, including the leasehold interest in the improvements erected upon the mortgaged property or to be erected thereon wholly or partly with the proceeds of the mortgage loan; and

(5) the instrument evidencing the loan shall require that payment be made on account of the principal amount of such loan at an annual rate sufficient to repay such loan not later than one year prior to expiration of the lease; or

(6) notwithstanding the foregoing, the terms of the loan are authorized for an association pursuant to subsections C and D of section 155 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–155).

7. Section 181 of P. L. 1948, c. 67 (C. 17:9A–181) is amended to read as follows:

C. 17:9A-181 Mortgage loans.

181. Mortgage loans.

A. 1. A savings bank may make or invest in mortgage loans in the manner and subject to the limitations prescribed by this section. For the purposes of this section, "mortgage loan" shall include every indebtedness secured by mortgage on real property, or on a lease of the fee of real property (in any case in which such lease is lawful security for such mortgage loan), except as otherwise provided by subsection Q. of this section, and a savings bank shall be deemed to have made a mortgage loan when

(a) It lends or participates in lending money to a borrower upon the security of real property; or

(b) It acquires, by purchase or otherwise, a mortgage loan or any share or part of or interest in a mortgage loan which is not subordinate to any share or part thereof or interest therein held by any other person.

A savings bank may sell, assign or otherwise dispose of a share or part of or interest in a mortgage loan held by it to any other person.

2. For all purposes of compliance with the applicable provisions and restrictions of subsections D. and G. of this section as to the percentage of the mortgage loan to the appraised value of the mortgaged property, and the term of and rate of amortization of such loan, the date of the acquisition by a savings bank of a mortgage loan or a share or part thereof or interest therein shall, as respects such savings bank, be deemed to be the date as of which the mortgage loan was made and the unpaid amount of the principal then due shall be deemed to be the amount of such mortgage loan.

B. No savings bank shall make a mortgage loan at any time when the total cost of acquisition by the savings bank of all real property owned by it, other than real property held for the purposes specified in subparagraph (a) of paragraph (5) of section 24, and the total of all principal balances owing to the savings bank on mortgage loans, less all write-offs and reserves with respect to such real property and mortgage loans, together exceeds, or by the making of such loan will exceed, 80% of its deposits. For the purposes of this subsection, principal balances owing on mortgage loans made pursuant to subsection Q. (1) of this section shall, only to the extent of the unguaranteed portion of such balances, and loans made pursuant to subsection Q. (2) of this section shall, only to the extent of 50% of such balances, be included in the total of all principal balances owing to the savings bank on mortgage loans; and for the purposes of this subsection, principal balances owing on mortgage loans made by the use of funds received by the bank pursuant to the provisions of the "New Jersey Mortgage Finance Agency Law" (P. L. 1970, c. 38, C. 17:1B–4 et seq.), shall, only to the extent of 50% of such balances, be included in the total of all principal balances, owing to the savings bank on mortgage loans.

C. Every mortgage loan shall be evidenced by a note or bond, and shall be secured by a mortgage on the fee of real property located within this State, or, if outside this State, upon the fee of real property located within 50 miles of the border of this State; or located as permitted for associations pursuant to section 146 of the

"Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–146). Every mortgage shall be certified to be a first lien by an attorney at law of the State in which the real property is located, or certified or guaranteed to be a first lien by a corporation authorized to guarantee titles to land in such State. For the purposes of this section, a mortgage shall be deemed to be a first lien, notwithstanding the existence of a prior mortgage or mortgages held by the savings bank, or a lien for current taxes or assessments not due or payable at the time the loan is made, and notwithstanding the existence of leases, building restrictions, easements, encroachments, or covenants which, in the opinion of an officer of the savings bank designated for that purpose by the board of managers, do not materially lessen the value of the real property to be mortgaged.

D. When the real property offered as security for a mortgage loan consists of a lot of land, or, in the case of condominiums, an interest in a lot of land, upon which there is one or more one-, two-, three-, or four-family dwellings including appropriate garages or other outbuildings, if any, or upon which such dwelling or dwellings, garages or outbuildings are in the course of construction or are to be constructed, the amount of the mortgage loan shall not exceed 90% of the appraised value of the real property; provided, however, where mortgage guaranty insurance is issued incident to such loan pursuant to the provisions of the Mortgage Guaranty Insurance Act, P. L. 1968, c. 248 (C. 17:46A–1 et seq.), the amount of the mortgage loan shall not exceed 95% of the appraised value of the real property.

E. (Deleted by amendment.)

F. (Deleted by amendment.)

G. When the real property offered as security for a mortgage loan consists of a lot of land upon which there is a building or buildings other than dwellings of the nature described in subsection D. of this section, or upon which such other buildings are in the course of construction, or are to be constructed, or when such land is paved for parking lot purposes, the amount of the mortgage loan shall not exceed 80% of appraised value of such real property. The instrument evidencing a mortgage loan made pursuant to this subsection shall require that the loan be repaid in full in not more than 30 years and 1 month from the date it is made; and (a) if the amount of such loan, when made, exceeds 50%, of the appraised value of the real property, that payment shall be made in reduction thereof at least semiannually, at an annual rate equal to at least 1% of the original amount of such

loan; or (b) if the amount of such loan, when made, does not exceed 50% of the appraised value of the real property, that payments shall be made in reduction thereof at least semiannually, at an annual rate equal to at least ½% of the original amount of such loan; provided, that, in lieu of such principal payments, the instrument evidencing any mortgage loan may require equal monthly payments each applicable to principal and interest in an amount sufficient to pay current interest and to repay the amount of the loan in not more than 30 years and 1 month from its date. When, however, the amount of such loan does not, when made, exceed 50% of the appraised value of such real property, and the instrument evidencing such loan requires that it be paid in full in not more than 5 years and 1 month from the date it is made, the instrument need not require that any payment be made in reduction of such loan prior to its maturity date. Notwithstanding the limitations prescribed by subsection D. and hereinabove in this section, a savings bank may make a mortgage loan secured by a lot of land or two or more lots of land, contiguous or not, upon each of which there is a building or buildings, or upon each of which a building or buildings are in the course of construction or are to be constructed. The limitations of this section governing the term of the loan, rate of amortization, and the percentage of the mortgage loan to the appraised value of each type of building, including land, shall apply. No loans shall be made under subsection D. or G. hereof to any one person or on any one property if the loans shall exceed 15% of the surplus, undivided profits, and reserves of the savings bank, or $50,000.00, whichever is greater.

H. When the real property offered as security for a mortgage loan is of the nature described in subsection D. of this section, and the amount of the loan does not exceed 66⅔% of the appraised value of such real property, the instrument evidencing such loan shall be sufficient if it conforms to the requirements of subsection G. of this section.

I. A mortgage loan may be made for the purpose of enabling a borrower to construct a building or buildings upon real property owned by him, and, in such a case, the appraised value of the real property shall include the value of the building or buildings to be constructed, but at no time shall a greater sum be advanced on account of such loan than, in the opinion of (1) the appraisers hereinafter provided for, or (2) one of such appraisers and an officer of the savings bank designated for that purpose by the board of managers, is warranted by the state of completion of the build-

ings in process of construction. For the purposes of compliance with the applicable requirements of subsection G. of this section as to the term of and the rate of amortization of a loan made pursuant to this section, such loan shall be deemed to have been made when the final advance shall be made to the borrower on such loan, or 60 months from the date of the mortgage securing such loan, whichever is earlier.

J. When the real property offered as security for a mortgage loan consists of unimproved land, and the proceeds of such loan are not to be used to construct a building on such land, the amount of such loan shall not exceed 50% of the appraised value of such real property. When the real property offered as security for a mortgage loan consists of unimproved land, and the proceeds of such loan are to be used for improvements to the land, the amount of such loan shall not exceed 75% of the appraised value of such real property. The instrument evidencing a loan made pursuant to this subsection shall require that such loan be paid in full in not more than 10 years and 1 month from the date it is made. No loan made pursuant to this subsection shall exceed $10,000.00, or $\frac{3}{10}$ of 1% of the deposits of the savings bank, whichever is greater; nor shall any loan be made at any time when the total of all such loans exceeds, or if the making of such loan would cause such total to exceed 2% of the deposits of the savings bank.

K. No mortgage loan shall be made except upon a written certification signed by at least two persons, each of whom shall be either a manager of the bank or an appraiser appointed by its board of managers. In the case of a mortgage loan secured by a mortgage upon real property, such certification shall state the opinion of such persons as to the value of the land and the improvements thereon or to be erected thereon and the character of such improvements. In the case of a mortgage loan secured by a mortgage upon a lease of the fee of real property, such certification shall state the opinion of such person as to the value of the leasehold interest to be subject to the mortgage, including the leasehold interest in the improvements erected or to be erected upon the leased property and the character of such improvements. Such certification shall be filed with the records of the bank, and shall be preserved until the savings bank has no interest, as mortgagee or otherwise, in the real property.

L. Purchase money mortgage loans made by a savings bank on the sale of real property owned by it shall not be subject to the preceding subsections or to subsection P. of this section, except that

such loans shall be included in determining whether the total amount of mortgage loans held by a savings bank exceeds 80% of its deposits.

M. No savings bank shall make a mortgage loan secured by a mortgage upon a lease of the fee of real property unless

(1) The leased property is located within this State or, if outside this State, the leased property is located within 50 miles of the border of this State;

(2) The leased property shall consist of improved real property, including farmlands, or unimproved real property if the proceeds of such loan shall be used for the purpose of erecting improvements thereon;

(3) The mortgage securing such loan shall constitute a first lien on a lease of the fee of real property, which fee is not subject to any prior lien; the fee shall be deemed not subject to any prior lien notwithstanding the existence of liens of taxes which are not delinquent, building restrictions or other restrictive covenants or conditions, joint driveways, sewer rights, rights in walls, rights-of-way or other easements, or encroachments, which the persons signing the certificate provided for in subsection K. of this section report in their opinion do not materially affect the security for the mortgage loan. Every mortgage shall be certified to be such a first lien by an attorney-at-law of the state in which the real property is located, or certified or guaranteed to be such a first lien by a corporation authorized to guarantee titles to land in such state;

(4) Such loan shall not exceed 66⅔% of the appraised value of the leasehold interest subject to the mortgage, including the leasehold interest in the improvements erected upon the mortgaged property, or to be erected thereon wholly or partly with the proceeds of the mortgage loan; and

(5) The instrument evidencing the loan shall require that payment be made on account of the principal amount of such loan at an annual rate sufficient to repay such loan not later than 1 year prior to the expiration of the lease;

(6) Notwithstanding the foregoing, the terms of the loan are authorized for an association pursuant to subsections C. and D. of section 155 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–155).

N. The instrument evidencing a mortgage loan may be in such form, and may contain such provisions, not inconsistent with law, as the savings bank may choose to insert for the protection of its

lien and the preservation of its interest in the real property mortgaged to it.

O. Notwithstanding the limitations prescribed by the preceding subsections or by subsection P. of this section, a savings bank may

(1) For the purposes of preventing or mitigating loss, or of preserving the lien of its mortgage, or of conserving the value of the real property affected by its mortgage, (a) extend the time for the payment of principal or interest, (b) modify or waive any of the terms or conditions of the instrument evidencing a mortgage loan, (c) settle or compromise all or part of the amount due or to grow due on a mortgage loan, (d) sell or assign the mortgage loan, or a share or part thereof or interest therein, for such consideration as it shall deem proper, and (e) advance funds for the payment of any tax, lien, charge or claim whatsoever; and

(2) Make a loan in addition to an existing mortgage loan or loans held by it, upon the security of the same real property and secured by the existing mortgage or mortgages, in an amount not to exceed the difference between the balance due on the existing mortgage or mortgages and the original amount thereof; provided, however, that no such additional loan shall be made which shall increase the total amount due upon such mortgages over the amount which could be loaned upon the security of such real property. Such additional loan shall be repaid in equal monthly installments, beginning within 1 year from the date of such loan, with the payments adjusted so that the additional loan shall be repaid in full either before or at the maturity of the existing mortgage. If the unexpired term of such mortgage or mortgages shall have been reduced to 15 years or less, such term may be extended for an additional period of not more than 15 years. Adjustment of payments and extension of mortgage terms pursuant to this section shall comply with the provisions of subsection G. or H. of this section. If so provided in the original mortgage or a supplement or amendment thereto, persons who acquire any rights in or liens upon the mortgaged real property subsequent to the recording of the original mortgage or such supplement or amendment, as the case may be, shall hold such rights and liens subject to the prior lien of the original mortgage and such supplement or amendment, if any, as security for such additional loan; and in such case, no title certificate or insurance under subsection C. of this section shall be required with respect to such additional loan.

P. Except as otherwise provided by this section, no savings bank shall make a mortgage loan if the making of such loan would cause

the total of all unpaid balances of such loans held by the savings bank upon the security of the same real property or leasehold, to exceed the limitations imposed by this section upon the amount of a mortgage loan which may be made upon the security of such real property or such leasehold.

Q. A savings bank may invest in

(1) (a) Veterans' loans, wherever located, made pursuant to Title III of the Act of Congress of June 22, 1944, known as the "Servicemen's Readjustment Act of 1944," as amended, supplemented, revised, or recodified from time to time, which the Administrator of Veterans' Affairs or other officer or agency which succeeds to his powers and functions under said act has insured or guaranteed or has made a commitment to insure or guarantee, to the extent and in the manner provided in said act or the regulations made thereunder; and

(b) Veterans' loans, wherever located, made and insured or guaranteed in part as provided in paragraph (1) (a) of this subsection of this section, and, as to the balance thereof, insured or guaranteed by an insurer or guarantor named or described in paragraph (2) of this subsection of this section.

(c) Mortgages or deeds of trust or other securities made pursuant to paragraph 1 (a) of this subsection of this section shall not be subject to the provisions and restrictions of this section, except that they shall be included in determining whether total mortgage investments are within the limitation prescribed by subsection B. of this section, provided, however, that said mortgages or deeds of trust or other securities shall not be subject to the provisions of any law of this State prescribing or limiting the interest which may be taken upon such loans or investments.

(2) (a) Mortgages or deeds of trust or other securities of the character of mortgages which are first liens on the fee of real property or a lease of the fee of real property, wherever located, which (i) the United States, or (ii) the Federal Housing Commissioner under the Act of Congress of June 27, 1934, known as the "National Housing Act," as amended, supplemented, revised or recodified from time to time, or other officer or agency which succeeds to his powers and functions, or (iii) the State of New Jersey or an officer or agency thereof, or (iv) any other officer or agency of the United States or of this State which the commissioner shall have approved for the purposes of this section as an insurer or guarantor, has fully insured or guaranteed or made a commitment to fully insure or guarantee.

(b) Mortgages or deeds of trust or other securities made pursuant to paragraph 2 (a) of this subsection of this section shall not be subject to the provisions and restrictions of this section, except that they shall be included in determining whether total mortgage investments are within the limitation prescribed by subsection B. of this section, provided, however, that said mortgages or deeds of trust or other securities shall not be subject to the provisions of any law of this State prescribing or limiting the interest which may be taken upon such loans or investments.

R. The commissioner may, from time to time, make, alter and rescind regulations:

(1) Authorizing savings banks to make mortgage loans or specified types or classes of mortgage loans (a) which exceed the specified percentages of the appraised value of the mortgaged property; (b) which mature later than the specified periods from their date; (c) which require smaller annual payments on account of the principal amounts thereof than those specified in this section; (d) which provide for equal monthly payments each applicable to principal and interest in amounts sufficient to pay current interest on and to repay the amount of the loan in such number of years more than 40, but not more than 45, as the regulation may specify; or (e) which substantially conform to the terms and conditions of mortgage loans authorized to be made by associations pursuant to the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–1 et seq.);

(2) Increasing the percentage of deposits of savings banks which savings banks may invest in mortgage loans;

(3) Increasing the percentage of principal balances owing on mortgage loans referred to in subsection Q. which shall not be included in the total of all principal balances owing on mortgage loans for the purpose of subsection B.; or

(4) Eliminating entirely the principal balances owing on such mortgage loans from such total of all principal balances.

S. Notwithstanding the provisions of this section, a savings bank may make a mortgage loan in excess of the ratio between appraised value and the amount of the loan as such ratio is established herein, provided that such excess is secured by other collateral having a value at all times at least equal to the amount of the principal balance in excess of the amount permitted by subsection G., H., J., or M., of this section or as established by regulation of the Commissioner of Banking.

8. Section 28 of P. L. 1948, c. 67 (C. 17:9A–28) is amended to read as follows:

C. 17:9A-28 Agency and fiduciary powers.

28. Agency and fiduciary powers. A bank which is a qualified bank shall have the following agency and fiduciary powers in addition to the powers specified in sections 24 and 25, whether or not such agency and fiduciary powers are specifically set forth in its certificate of incorporation, and a savings bank which is a qualified bank shall have such of the following agency and fiduciary powers, in addition to the powers specified in sections 24 and 26, as are not inconsistent with the law authorizing it to exercise the powers of a fiduciary:

(1) to act as custodian or escrow agent of personal property for any person or corporation:

(2) as agent, to receive, hold, manage and dispose of by sale or otherwise personal and real property; to act as agent of any person or corporation for any other purpose not prohibited by law;

(3) to act as the transfer agent or registrar, or both, of any state, county, municipality, board, commission, or other body politic, or of any foreign or domestic corporation and, in such capacity to transfer, register, and countersign stock certificates and bonds or other evidences of indebtedness;

(4) to act as trustee of or with respect to any security or instruments of indebtedness or of security issued by any state, county, municipality, other body politic, or corporation, foreign or domestic, and to accept any other public or corporate trust not inconsistent with the laws of this State;

(5) to be appointed and to act under the order of appointment of any court of competent jurisdiction as guardian, custodian, trustee or administrator, or by whatever other title it may thereby be designated, of the person or estate, or both, of any person for whom or for whose estate such an appointment may be made;

(6) to be appointed and to act as executor, trustee, or guardian under any last will and testament, or as administrator with the will annexed, or as substituted administrator with the will annexed, or as administrator, or as substituted trustee or as substituted administrator of the estate of any deceased person;

(7) to be appointed and to act as assignee or trustee for the benefit of creditors under any statute providing for such assignment or otherwise;

(8) to be appointed and to act as receiver or trustee on appointment by any state or federal court of competent jurisdiction;

(9) to receive from any person and hold in trust and dispose of, by sale or otherwise, personal and real property, upon such terms as may be specified;

(10) to accept, administer, and execute all other trusts and to act in all other fiduciary capacities not herein specifically enumerated, not inconsistent with law;

(11) all fiduciary powers permitted to associations pursuant to subsection (19) of section 48 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–48).

C. 17:9A-24a Rights permitted national banks.

9. (New section) The commissioner shall have the power to make, amend, and repeal regulations permitting banks to exercise any power, right, benefit, or privilege permitted to national banks, provided that such power, right, benefit, or privilege is not contrary to law. Such regulations shall be in substantial conformity with similar rules or regulations of the Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation.

C. 17:9A-24b Rights of savings banks.

10. (New section) The commissioner shall have the power to make, amend, and repeal regulations permitting savings banks to exercise any power, right, benefit, or privilege permitted to federally chartered savings banks, provided that such power, right, benefit or privilege is not contrary to law. Such regulations shall be in substantial conformity with similar rules or regulations of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation.

11. This act shall take effect immediately.

Approved May 22, 1981.

CHAPTER 154

AN ACT permitting certain race tracks to supplement their purses from their parimutuel handle.

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

1. Notwithstanding the provisions of section 44 of P. L. 1940, c. 17 (C. 5:5–64), every permitholder engaged in the business of conducting running race meetings where the amount derived from the parimutuel handle does not exceed $1 million per day based on such contributions accumulated and averaged during the calendar year 1981 shall retain the breaks during its 1981 meeting for use in supplementing the purses distributed by the permitholder up to a maximum average daily purse distribution of $65,000.00.

Any funds not used for such purse supplements shall be paid to the commission for the use of the State at the conclusion of the permitholder's 1981 meeting.

2. This act shall take effect immediately and shall be retroactive to January 1, 1981.

Approved May 22, 1981.

CHAPTER 155

AN ACT concerning aid to certain municipalities and supplementing P. L. 1981, c. 61 (C. 40A:4–45.7 et seq.).

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

C. 40A:4-45.9 Urban aid exception to spending limitations.

1. Notwithstanding the provisions of the act to which this act is a supplement, any municipality which received urban aid funds in 1980 and is authorized to anticipate the receipt of urban aid funds in 1981, may include its 1980 appropriation of urban aid funds within its 1981 final appropriations for the purposes of calculating its spending limitations pursuant to P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.), and expend 1981 urban aid funds as an exception to the spending limitations in its 1981 budget. Thereafter, the municipality shall not include appropriations of urban

aid funds made in 1981 or any year thereafter in its final appropriations for the purpose of calculating its spending limitations in its 1982 or any subsequent budget, but shall expend urban aid funds as an exception to those limitations in those budgets.

2. This act shall take effect immediately, and shall be retroactive to January 1, 1981.

Approved May 22, 1981.

CHAPTER 156

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. The following sums are appropriated out of the General Fund for the following purposes:

DEPARTMENT OF HUMAN SERVICES

53. Economic Assistance and Security—State Aid

7550. Division of Public Welfare

15–7550. Income Maintenance		$11,556,835
State Aid:		
Payments for dependent children assistance, regular segment (State share)	($8,059,585)	
Payments for dependent children assistance, unemployment of father (State share)	(1,206,900)	
Payments for dependent children assistance, insufficient employment of parents (State share)	(804,600)	
Payments for supplemental security income (State share)	(1,485,750)	
Total Appropriation, State Aid		$11,556,835

2. This act shall take effect immediately.

Approved May 26, 1981.

CHAPTER 157

AN ACT appropriating $5,000,000.00 from the Beaches and Harbor Fund for the purpose of restoring the State shoreline of the New York Harbor; and providing the 33⅓% State matching share for the U.S. Army Corps of Engineers New York Harbor Collection and Removal of Drift Project.

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

1. There is hereby appropriated to the Department of Environmental Protection from the Beaches and Harbor Fund created pursuant to the "Beaches and Harbors Bond Act of 1977" (P. L. 1977, c. 208) the sum of $5,000,000.00 for the purposes of removing and disposing of derelict vessels, deteriorated shore structures and loose drift material along the New Jersey shoreline of the New York Harbor, which sum shall include administrative costs.

2. Such sum shall be made available by the sale of bonds authorized by the "Beaches and Harbors Bond Act of 1977" (P. L. 1977, c. 208).

3. Such sum shall be used to provide the 33⅓% State share of the U.S. Army Corps of Engineers New York Harbor Collection and Removal of Drift Project.

4. The expenditure of the sums appropriated by this act are subject to the provisions and conditions of P. L. 1977, c. 208.

5. This act shall take effect immediately.

Approved May 27, 1981.

CHAPTER 158

AN ACT concerning the construction of a State-owned dam at Gropp's Lake, and appropriating $1,000,000.00 from the State Land Acquisition and Development Fund.

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

1. a. There is appropriated to the Department of Transportation the sum of $1,000,000.00 from the State Land Acquisition and Development Fund created pursuant to the "New Jersey Green Acres Bond Act of 1978" (P. L. 1978, c. 118). This sum shall be taken from that portion of the fund allocated for the State development of lands for recreation and conservation purposes in nonurban areas.

b. The sum appropriated by subsection a. of this section shall be utilized for the construction of a new State-owned dam at Gropp's Lake, located in the township of Hamilton, county of Mercer, except that this sum shall be expended only upon the preparation, by the township of Hamilton, of a plan to assure public access to the restored Gropp's Lake, the submission of this plan to the Department of Environmental Protection, and a finding by that department that this access will be assured.

2. This act shall take effect immediately.

Approved May 27, 1981.

CHAPTER 159

AN ACT concerning aircraft liens and amending N. J. S. 2A:44–2, 2A:44–4 and 2A:44–10.

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

1. N. J. S. 2A:44–2 is amended to read as follows:

Lien upon aircraft; detention; lien superior to others.

2A:44–2. Any person, engaged in the business of operating an airport, a hangar or place for the storage, maintenance, keeping or repairing of aircraft who, in connection therewith, permits landings or take-offs or stores, maintains, keeps or repairs any aircraft or furnishes gasoline, accessories, materials or other supplies therefor at the request or with the consent of the owner or his representative, agent or lessee, whether such owner be a conditional vendee or a mortgagor remaining in possession or otherwise, shall have a lien upon such aircraft or any part thereof for the sum due as the fees for such landings or take-offs, or for such storing, maintaining, keeping or repairing of such aircraft or

for furnishing gasoline, accessories, materials or other supplies therefor, and may, without process of law, detain such aircraft at any time it is lawfully in his possession until such sum is paid.

The lien shall be superior to all other liens, except liens for taxes, and the operator of such aircraft shall be deemed the agent of any owner, mortgagee, conditional vendor or other lienor thereof for the creation of such superior lien.

2. N. J. S. 2A:44-4 is amended to read as follows:

Statement; demand for possession; deposit of amount claimed with court; court action; cost.

2A:44-4. The owner or person entitled to the immediate possession of the aircraft, or part thereof, so detained as provided by this article, may on learning of the detention of the same, immediately demand from the person detaining such aircraft or part thereof, or from the person in charge of the place where it is detained, a statement showing the true amount claimed to be due and owing for landing or take-off fees or for the storing, maintaining, keeping or repairing of such aircraft, or for furnishing gasoline, fuel, accessories, materials or other supplies therefor. If upon receiving such statement he considers the amount thereof excessive, he may offer what he considers to be reasonably due and demand possession of the aircraft or part thereof so detained. If possession is refused, he may obtain possession thereof by depositing the amount claimed in the statement with the clerk of any court of competent jurisdiction in the county where the aircraft or part thereof may be situated, together with $12 to cover the cost of court in actions commenced in the county district court and $60 in any other court.

3. N. J. S. 2A:44-10 is amended to read as follows:

Sale at public auction of aircraft when proceedings not taken by owner.

2A:44-10. If no proceedings are taken for the repossession of the aircraft or the parts thereof by the owner, such property so held by any airport operator or any operator of a hangar or place of storage, repair or supplies for aircraft, or held by any aircraft mechanic may, after the expiration of 30 days from the date of the detention, be sold at public auction.

4. This act shall take effect immediately.

Approved June 8, 1981.

CHAPTER 160

AN ACT to provide for the authorization and regulation of persons engaged in the business of legal insurance, amending section 2 of P. L. 1945, c. 132 and supplementing Title 17 of the Revised Statutes.

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

C. 17:46C-1 Short title.

1. This act shall be known and may be cited as the "New Jersey Legal Services Insurance Act."

C. 17:46C-2 Declaration of policy.

2. It is declared that there is a need to encourage the development of effective and economically sound methods for making legal services more readily available at reasonable cost to the citizens of New Jersey; that there is a need to protect the interest of the users of legal services and of the public of this State with a minimum of restrictions on experimentation with new forms of organization, administration, or benefits; that the risks inherent in experimentation with legal services plans should be borne by the promoters of new plans rather than by the consumers; that persons other than professional insurers should be permitted and encouraged to provide legal services, subject to practical and reasonable financial and regulatory requirements; that effective competition between the various systems of financing legal services should be permitted and encouraged; and that it is the purpose of this act to meet the aforementioned needs and accomplish the aforementioned objectives.

C. 17:46C-3 Definitions.

3. As used in this act:

a. "Commissioner" means the Commissioner of Insurance.

b. "Insurer" means any person who obtains a certificate of authority in accordance with the provisions of section 4 of this act and any person authorized to transact the business of insurance under Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes.

c. "Legal insurance" means the assumption of a contractual obligation to provide specified legal services or reimbursement for legal expenses in consideration of a specified payment for an

interval of time, regardless of whether the payment is made by the beneficiaries individually or by a third person for them, in such a manner that the total cost incurred by assuming the obligation is to be spread directly or individually among a group of persons. Legal insurance shall not include the provision of or reimbursement for legal services incidental to other insurance coverages such as the duty to defend, nor shall the following be considered legal insurance under the laws of this State:

(1) Retainer contracts made with individual clients with the fees based on estimates of the nature and the amount of services that will be provided to the specific client, and similar contracts made with a group of clients involved in the same or closely related legal matters such as class actions.

(2) Plans providing no benefits other than a limited amount of consultation and advice on simple matters either alone or in combination with referral services or the promise of fee discounts for other matters.

(3) Plans providing limited benefits on simple legal matters on an informal basis not involving a legally binding promise, in the context of an employment or educational or similar relationship.

(4) Legal services provided by unions or employee associations to their members in matters relating to employment or occupation.

(5) Employee benefit plans regulated by the "Employee Retirement Income Security Act of 1974," (P. L. 93-406, 29 U.S.C. 1001 et seq.).

(6) Plans or legal services provided by a legal aid office or public defender office, a military legal assistance office, a lawyer referral service operated, sponsored or approved by a bar association representative of the general bar of the geographical area in which the association exists, or any other nonprofit organization that recommends, furnishes or pays for legal services to its members or beneficiaries in a manner incidental and reasonably related to a primary purpose of such organization to promote a public interest, including, without limitation, defense of human and civil rights, elimination of prejudice and discrimination as to race, religion, sex and national origin, lessening neighborhood tensions, preservation or scenic beauty, combatting or preventing pollution, preservation of natural resources, protection of consumer interest, promotion of cultural, historical or other educational activities, and prevention of cruelty to animals.

As used herein, "contractual obligation" includes any arrangement in which those persons for whom services are to be provided

under the arrangement have reasonable expectations of enforceable rights.

C. 17:46C-4 Certificate of authority.

4. a. (1) A person entitled to transact the business of insurance under Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes may transact the business of legal insurance in this State without having to obtain a certificate of authority under this act. This paragraph shall not by itself enlarge the powers of any corporation entitled to transact the business of insurance under Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes given by its articles of incorporation or charter, but shall authorize such a corporation formed under Title 14A of the New Jersey Statutes, Subtitle 3 of Title 17 of the Revised Statutes, Subtitle 3 of Title 17B of the New Jersey Statutes, Title 15 of the Revised Statutes or Title 16 of the Revised Statutes to include in its powers the authority to transact the business of legal insurance.

(2) No other person may transact the business of legal insurance unless he applies for and obtains a certificate of authority to transact the business of legal insurance in compliance with this act.

(3) An application for a certificate of authority to transact the business of legal insurance shall be in a form prescribed by the commissioner and shall be accompanied by a fee of $250.00. If the applicant is not domiciled in this State, the application shall be accompanied by a power of attorney duly executed by the applicant appointing the commissioner and his successors in office, and duly authorized deputies, as the true and lawful attorney of the applicant in and for this State, upon whom all lawful process in any legal action or proceeding against the applicant on a cause of action arising in this State shall be served.

b. Except for section 26 of this act, this act shall not apply to any person issuing group or blanket policies if fewer than 5% of the certificate holders or insureds reside in this State and the person is regulated to a comparable extent by another state in which a larger number of certificate holders or insureds reside. Any person exempt under this subsection shall file an annual report with the commissioner in accordance with the rules and regulations promulgated by the commissioner.

C. 17:46C-5 Conditions for issuance of certificate.

5. a. A certificate of authority shall be issued if the commissioner is satisfied that the following conditions are met:

(1) The persons responsible for the conduct of the affairs of the applicant are competent, trustworthy, and of good reputation;

(2) The applicant demonstrates the willingness and ability to assure that the promised benefits can be provided.

In making this determination the commissioner shall consider so far as applicable:

(a) The adequacy of capital and surplus considered in relation to the other items in subsection a. (2) of this section;

(b) The financial soundness of the applicant's arrangements for legal services and the rating system proposed to be used in connection therewith;

(c) Any agreement with another person authorized to do business under this act, an insurer licensed under the general insurance law to do business in this State, a reinsurer eligible under the laws or regulations of this State to provide reinsurance, or an agency of the Federal or State Government for insuring the payment of the cost of legal services or the provision for automatic applicability of an alternative coverage in the event the insurer is unable to perform its obligations;

(d) Any surety bond or deposit of cash or securities as a guarantee that the obligation will be duly performed; and

(e) If the applicant is licensed as an insurer under insurance laws of other states, whether the applicant has complied with the requirements of those laws.

b. At the request of an applicant, the commissioner shall issue an order stating whether a person is providing legal insurance as defined in section 3c. of this act.

C. 17:46C-6 Policy or master policy; individual certificates; approval by commissioner; requirements; rating system.

6. a. (1) Each contractual obligation for legal insurance shall be evidenced by a policy or master policy. Legal insurance may be written on an individual basis or on a group or blanket basis in accordance with the provisions of chapter 27 of Title 17B of the New Jersey Statutes. Each person insured under a group policy shall be issued a certificate of coverage. No legal insurance policy or certificate of any kind may be issued or delivered in this State unless and until a copy of the form thereof has been approved by the commissioner.

(2) The forms shall meet the following requirements:

(a) Policies shall contain a detailed list and description of the

legal services promised or the legal matters for which expenses are to be reimbursed and the amount or method of reimbursement;

(b) Policies and certificates shall indicate prominently the name of the insurer and the full address of its principal place of business;

(c) Certificates issued under group policies may summarize the terms of the master contract but shall contain a full and clear statement of the benefits provided; and

(d) Such other requirements as the commissioner shall determine.

(3) The commissioner shall disapprove a form if it is found that it:

(a) Does not meet the requirements of subsection a. (2) of this section;

(b) Is unfair, unfairly discriminatory, misleading, obscure or encourages misrepresentation or misunderstanding of the contract, including cases where the form:

(i) Provides coverage or benefits that are too restricted to achieve the purposes for which the policy is designed;

(ii) Fails to attain a reasonable degree of readability, simplicity and conciseness; or

(iii) Is misleading, deceptive or obscure because of its physical aspects such as format, typography, style, color, material or organization;

(c) Provides coverage or benefits or contains other provisions that would endanger the solvency of the insurer;

(d) Is contrary to law; or

(e) Provides coverage or benefits for legal services rendered in connection with defending criminal charges in which the victim of the crime or a member of his immediate family or any corporation or partnership in which the victim has a substantial interest contributed to the plan on behalf of the insured.

b. (1) Every person shall, before using or applying any rate to legal insurance, file with the commissioner for approval a copy of the rating system upon which such rate is based, or by which such rate is fixed or determined. From and after the date of the approval of its rating system, every insurer shall charge and receive rates fixed or determined in strict conformity therewith. The commissioner may permit an insurer to file and use a rate for a 3-year period before approving or disapproving the rate so that appropriate expense and claims experience can be obtained through a statistical plan for use in his determination of the rate.

(2) The rates produced from such rating system shall meet the following requirements:

(a) They shall be established and justified in accordance with generally accepted insurance principles including but not limited to the experience or judgment of the insurer making the rate filing or actuarial computations; and

(b) They shall not be excessive, inadequate or unfairly discriminatory. Rates shall not be deemed unfairly discriminatory because they are averaged broadly among persons insured under group or blanket policies.

(3) The commissioner may, by written order, suspend or modify the requirement for filing and approval for any risk, group or class of risk the rates for which cannot practically be filed before they are used.

c. If the commissioner disapproves a filing he shall notify the person making it in writing specifying therein the reasons for disapproval. A hearing shall be granted after a request in writing by any such person aggrieved by the disapproval. The commissioner may, after notice and hearing, disapprove any rating system that has been previously approved; provided that such disapproval shall apply only to rating systems used on and after the date of said disapproval.

d. The commissioner may require the submission of whatever relevant information is reasonably necessary in determining whether to approve or disapprove a filing made pursuant to subsection a. or b. of this section.

C. 17:46C-7 Transaction within segregated account; requirements.

7. Except for employee welfare benefit plans regulated by the "Employee Retirement Income Security Act of 1974" (P. L. 93–406, 29 U. S. C. 1001 et seq.), a person who obtains a certificate of authority under this act and who transacts the business of legal insurance along with any other business shall transact legal insurance wholly within a segregated account in accordance with the following requirements:

a. The segregated account shall satisfy the financial requirements for issuance of a certificate of authority;

b. Except under subsections f. and g. of this section the income and assets attributable to a segregated account shall always remain identifiable with the account but, unless the commissioner so orders, the assets need not be kept physically separate from other assets of said person. The income, gains and losses, whether

or not realized, from assets attributable to a segregated account shall be credited to or charged against the account without regard to other income, gains or losses of said person;

c. Except under subsection d. of this section, the assets attributable to a segregated account shall not be chargeable with any liabilities arising out of any other business of the person, nor shall any assets not attributable to the account be chargeable with any liabilities arising out of the segregated account;

d. The segregated account shall be deemed an insurer within the meaning of P. L. 1975, c. 113 (C. 17:30C–1 et seq.). Claims remaining unpaid after completion of the liquidation under P. L. 1975, c. 113 (C. 17:30C–1 et seq.) shall be liens against the interests of shareholders, if any, in all of said person's assets that are not liquidated;

e. Assets allocated to segregated accounts shall be the property of said person, which person shall not be nor hold himself out to be a trustee of the assets;

f. Said person may allocate a portion or part of a particular asset to the segregated account;

g. Said person may by an identifiable act transfer assets to or from the segregated account if:

(1) The terms are fair and reasonable; and

(2) The books, accounts and records of each party having an interest in the account are so maintained as to clearly and accurately disclose the precise nature and details of the transaction.

C. 17:46C-8 Management contract; grounds for disapproval.

8. a. An insurer who obtains a certificate of authority in accordance with the provisions of section 4 of this act may not enter into any management contract, unless the contract is first filed with the commissioner and not disapproved under this section.

b. The commissioner shall disapprove a contract under subsection a. of this section if he finds that:

(1) It subjects the insurer to excessive charges; or

(2) The contract extends for an unreasonable period of time; or

(3) The contract does not contain fair and adequate standards of performance; or

(4) The persons empowered under the contract to manage the insurer are not sufficiently trustworthy, competent, experienced and free from conflict of interest to manage the insurer with due regard for the interests of its insureds, creditors or the public; or

(5) The contract contains provisions which impair the interests of the insurer's insureds or creditors or the public.

C. 17:46C-9 Report to commissioner; contents.

9. An insurer other than an insurer authorized to transact the business of insurance under subtitle 3 of Title 17 of the Revised Statutes or subtitle 3 of Title 17B of the New Jersey Statutes shall annually, on or before the first day of March, file with the commissioner a report covering the preceding calendar year verified by at least two principal officers. The report shall be on forms prescribed by the commissioner and shall include:

a. A financial statement of the insurer's legal insurance business on December 31 of the year last preceding, including:

(1) Its balance sheet, and

(2) Its receipts and disbursements for the preceding year;

b. Any material changes in the information submitted pursuant to section 5 of this act;

c. Such information about the number of persons insured and terminated as may be prescribed by the commissioner;

d. Such other information relating to the performance of the insurer as is necessary to enable the commissioner to carry out his duties under this act.

C. 17:46C-10 Reserves.

10. An insurer shall maintain the reserves necessary for the sound operation of the business including unearned premium reserves in a manner to be determined by the commissioner.

C. 17:46C-11 Investable funds.

11. The investable funds generated through the transaction of the business of legal insurance by a person who obtains a certificate of authority under this act shall be invested in securities or other investments permitted by the laws of this State for the investment of assets of life insurers or in such other securities or investments as the commissioner shall permit.

C. 17:46C-12 Applicability of P. L. 1947, c. 379.

12. Except where inconsistent with this act, P. L. 1947, c. 379 (C. 17:29B–1 to 17:29B–14) shall apply to persons obtaining a certificate of authority under this act.

C. 17:46C-13 Licensing of agents and brokers.

13. The commissioner shall promulgate rules and regulations to provide for the licensing of agents and brokers under this act, including the establishment of examination and licensing fees, and such other rules and regulations as are necessary or proper to carry out the provisions of this act, which rules and regulations are con-

sistent with licensing requirements and standards in Title 17 of the Revised Statutes and Title 17B of the New Jersey Statutes.

C. 17:46C-14 Commissions and rebates; prohibition.

14. Commissions may not be paid to nonlicensees. Rebates are prohibited to the same extent as under Titles 17 of the Revised Statutes and 17B of the New Jersey Statutes. Penalties for noncompliance with this section shall be consistent with the licensing provisions of Titles 17 of the Revised Statutes and 17B of the New Jersey Statutes.

C. 17:46C-15 Examination of affairs of insurer; expenses of examination.

15. The commissioner, in accordance with the procedures set forth in R. S. 17:23–4 et seq., shall make an examination of the affairs of any insurer obtaining a certificate of authority under this act as often as he deems it necessary for the protection of the interest of the people of this State. The commissioner shall have the power to charge the expenses of examination to the insurer in the manner in which they are charged under Titles 17 of the Revised Statutes and 17B of the New Jersey Statutes.

C. 17:46C-16 Report to Supreme Court of possible violations.

16. The commissioner shall report to the New Jersey Supreme Court any information which he considers to be indicative of possible violations of the Code of Professional Responsibility of the American Bar Association as amended by the New Jersey Supreme Court.

C. 17:46C-17 Suspension or revocation of certificate of authority; notice and hearing.

17. The commissioner may suspend or revoke any certificate of authority issued to a person transacting the business of legal insurance under this act, after notice and hearing, for violation of any provision of the act.

C. 17:46C-18 Liquidation or dissolution.

18. Any liquidation or dissolution of a person transacting the business of legal insurance shall be accomplished in accordance with the provisions of P. L. 1975, c. 113 (C. 17:30C–1 et seq.).

C. 17:46C-19 Fees.

19. Every person subject to this act shall pay to the commissioner fees required by R. S. 17:33–1.

C. 17:46C-20 Application of retaliatory tax provisions.

20. The provisions of P. L. 1950, c. 231 (C. 17:32–15) relating to retaliatory tax provisions shall apply to insurers under this act.

C. 17:46C-21 Public documents; attorney-client privilege.

21. All applications, filings, and reports required under this act shall be treated as public documents. Nothing contained in this act shall require the filing, reporting or disclosure of information or material which is subject to an attorney-client privilege or confidence, and no insurer shall question the independent judgment of an attorney providing legal services hereunder.

C. 17:46C-22 Applicability of provisions of P. L. 1952, c. 330.

22. Subject to the provisions of this act, P. L. 1952, c. 330 (C. 17:51–1 to 17:51–5), relating to unauthorized insurers, shall apply to persons transacting the business of legal insurance.

C. 17:46C-23 Applicability of Titles 17 and 17B.

23. The provisions of Title 17 of the Revised Statutes and Title 17B of the New Jersey Statutes shall apply generally to legal insurance offered by insurers authorized to transact the business of insurance and regulated under Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes; provided, however, that legal insurance sold by such insurers shall be subject to sections 2, 3, 4b., 6, 8, 13, 14, 18 and 20 of this act rather than to the corresponding sections of Title 17 of the Revised Statutes and Title 17B of the New Jersey Statutes; and further provided that the provisions of P. L. 1974, c. 17 (C. 17:30A–1 et seq.) shall not apply to legal insurance offered by such insurers.

C. 17:46C-24 Orders to be issued in accordance with statutes.

24. a. Orders or rules and regulations issued under the provisions of this act shall be issued in accordance with the provisions of Title 17 of the Revised Statutes and Title 17B of the New Jersey Statutes. The provisions of N. J. S. 17B:34–11 shall apply in matters not specifically provided for herein.

b. Except as otherwise provided in this act, the provisions of Title 17 of the Revised Statutes and Title 17B of the New Jersey Statutes shall not apply to insurers authorized under this act.

C. 17:46C-25 Violation of act; penalty.

25. The penalty for each violation of any section of this act or any supplement thereto, shall be a penalty not exceeding $1,000.00 for the first offense and not exceeding $2,000.00 for each succeeding offense. Any penalty provided for herein shall be enforced and collected by the commissioner in the name of the State in a summary proceeding in accordance with "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.). A warrant may issue in lieu of a summons. Upon the failure of the defendant to pay forthwith the

amount of any money judgment rendered against him, such defendant shall be committed to the county jail as provided in said penalty enforcement law until the penalty and costs are paid. Penalties shall be paid to the commissioner for the use of the State. The necessary expenses for enforcing the provisions of this act when not otherwise provided for, shall be paid out of the penalties so collected and the fees and taxes paid by insurance companies of other States and foreign countries.

C. 17:46C-26 Application for certificate of authority; denial.

26. Any person who has been transacting the business of legal insurance for more than 90 days prior to the effective date of this act shall submit an application for a certificate of authority under section 4 of this act within 90 days of the effective date of this act and that applicant may continue to operate until the commissioner acts upon the application. In the event that an application is denied under section 5 of this act, the applicant shall be treated as a legal insurer whose certificate of authority has been revoked.

27. Section 2 of P. L. 1945, c. 132 (C. 54:18A–2) is amended to read as follows:

C. 54:18A-2 Tax of 2% on premiums; exceptions.

2. (a) The tax specified in subsection (a) of section 1 of this act, except as to life insurance companies and except as to marine insurance as described by chapter 16 of Title 54 of the Revised Statutes, shall, except as hereinafter provided, be 2% upon the taxable premiums collected by such company during the year ending December 31 next preceding on all business of the company in this State, less the amount of any franchise taxes and taxes on its property, exclusive of taxes on real estate and of taxes payable pursuant to this section, paid in this State by the company pursuant to any law of this State during the said year. Any taxes paid to the treasurer of any firemen's relief association of this State pursuant to section 54:18–1 of the Revised Statutes shall be considered a part of the tax payable under this act.

(b) Taxable premiums, collected after December 31, 1965 by an insurance company subject to the provisions of subsection (a) hereof under group accident and health insurance policies on residents of this State, and taxable premiums collected under legal insurance policies as defined in this amendatory and supplementary act on residents of this State, shall be subject to tax only at the following rates:

As to taxes payable in 1967	1¾%
As to taxes payable in 1968	1½%
As to taxes payable in 1969	1¼%
As to taxes payable in 1970 and thereafter	1%

28. Section 3 of P. L. 1945, c. 132 (C. 54:18A–3) is amended to read as follows:

C. 54:18A-3 Amount of tax; life insurance companies; deductions.

3. Amount of tax, life insurance companies; deductions.

(a) The tax specified in subsection (a) of section 1 of this act as to life insurance companies, shall, except as hereinafter provided, be 2% upon the taxable premiums collected by the company during the year ending December 31 next preceding under all policies or contracts of insurance on residents of this State, less the amount of any franchise taxes and taxes on its property, exclusive of taxes on real estate and of taxes payable pursuant to this section, paid in this State by the company pursuant to any law of this State during the said year; provided, however, that in the case of any life insurance company incorporated under any law of this State having capital and surplus of $15,000,000.00 or more, such deduction from the tax payable pursuant to this section shall be diminished by the amount of tax paid during the said year pursuant to subsection b. or c. of section 2, chapter 101 of the laws of 1950, as amended.

(b) Taxable premiums, collected after December 31, 1965 by an insurance company subject to the provisions of subsection (a) hereof under group accident and health insurance policies on residents of this State, and taxable premiums collected under legal insurance policies as defined in this amendatory and supplementary act on residents of this State, shall be subject to tax only at the following rates:

As to taxes payable in 1967	1¾%
As to taxes payable in 1968	1½%
As to taxes payable in 1969	1¼%
As to taxes payable in 1970 and thereafter	1%

C. 17:46C-29 No authority over attorneys.

29. Nothing contained in this act shall give the commissioner authority concerning regulation or suspension of attorneys admitted to practice in this State, or authority over attorneys' agreements or fees with individual clients or organizations.

C. 17:46C-30 Partial invalidity.

30. If any section in this act or any part of any section is declared invalid or unconstitutional, such declaration of invalidity shall not affect the validity of the remaining portions thereof.

C. 17:46C-31 Construction.

31. This act shall be liberally construed to effectuate the purposes set forth in section 2.

32. This act shall take effect 90 days after enactment.

Approved June 8, 1981.

CHAPTER 161

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. In addition to the amounts appropriated under P. L. 1980, c. 56, the following additional amount is appropriated from the General Fund for the following purposes:

DEPARTMENT OF EDUCATION

Educational, Cultural and Intellectual Development

32 Operation and Support of Educational Institutions

12-5011 Marie H. Katzenbach School for Deaf . . . $400,000.00

Special Purpose:

Speech and support services . . . . . ($400,000.00)

2. This act shall take effect immediately.

Approved June 8, 1981.

CHAPTER 162

AN ACT concerning education, supplementing Title 18A of the New Jersey Statutes, and making an appropriation.

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

1. For the school year 1980-81 any school district under the commissioner's order to desegregate its school facilities, and entitled to receive funds under Title IV of the Civil Rights Act in the next succeeding school year, may apply to the Commissioner of Education and, upon approval of the commissioner, receive funds for those services necessary to prepare the district staff and community for full implementation of the desegregation order in the 1981-82 school year.

2. Any funds appropriated for the purposes set forth in section 1 of this act shall be deducted from the State aid payments to the district in 10 equal payments during the 1981-82 school year.

3. There is appropriated to the Department of Education for the purposes of this act $200,000.00.

4. This act shall take effect immediately.

Approved June 8, 1981.

CHAPTER 163

A SUPPLEMENT to "The Banking Act of 1948," approved April 29, 1948 (P. L. 1948, c. 67).

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

C. 17:9A-24b.1 Powers authorized for Federal mutual savings banks.

1. The Commissioner of Banking shall have the power to promulgate rules and regulations authorizing savings banks to exercise those powers now or hereafter authorized for Federal mutual savings banks to the same extent as Federal mutual savings banks

may exercise those powers. Any such regulations shall be in substantial conformity with similar rules and regulations of the Federal Home Loan Bank Board.

C. 17:9A-24b.2 Substantial competitive parity.

2. The rules and regulations promulgated by the commissioner pursuant to section 1 of this supplementary act shall have as their objective the placing of savings banks on a substantial competitive parity with Federal mutual savings banks.

3. This act shall take effect immediately.

Approved June 11, 1981.

CHAPTER 164

AN ACT concerning elections and amending R. S. 19:23–8.

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

1. R. S. 19:23–8 is amended to read as follows:

Number of signers of petitions for candidates.

19:23–8. The petitions for candidates to be voted for by the voters of a political party throughout the entire State shall in the aggregate be signed by at least 1,000 such voters; in the case of candidates to be voted for by the voters of a political party throughout a congressional district by at least 200 of such voters; in the case of candidates for the Senate and General Assembly at least 100 such voters; in the case of candidates to be voted for by the voters of a political party throughout a county or any county election district, by at least 100 of such voters; in the case of candidates to be voted for by the voters of a political party throughout a municipality having a population in excess of 14,000 as ascertained by the last Federal census by at least 50 of such voters; in the case of candidates to be voted for by the voters of a political party throughout all other municipalities or any ward of any municipality by at least 25 of such voters; in the case of a candidate to be voted for by the voters of a political party within a single election district by at least 10 of such voters.

Nothwithstanding the above provisions, in the case of petitions for candidates, to be voted for by the voters of a political party

throughout any municipality, ward, or election district, the number of signers of any such petition may be fewer than the minimum number specified above but shall be at least 5% in number of the total vote cast by the voters of that political party at the last preceding primary election held for the election of that party's candidates for the General Assembly. In no case, however, shall there be fewer than one signer of any such petition.

2. This act shall take effect January 1 next following its enactment.

Approved June 11, 1981.

CHAPTER 165

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. There is appropriated from the General Fund the sum of $75,000.00 for purposes set forth in the "Agent Orange Act" (P. L. 1979, c. 443).

2. This act shall take effect immediately.

Approved June 11, 1981.

CHAPTER 166

AN ACT to validate certain proceedings of school districts and any bonds or other obligations issued or to be issued pursuant to such proceedings.

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

Validating act.

1. All proceedings heretofore had or taken by any school district or at any school district election for the authorization or issuance of bonds of the school district, and any bonds or other obligations of the school district issued or to be issued in pursuance of a proposal adopted by the legal voters at such election, are hereby ratified, validated and confirmed, notwithstanding that the supplemental debt statement required by N. J. S. 18A:24–16 of Title 18A, Education, was not prepared, sworn to and filed as required by said N. J. S. 18A:24–16 and 18A:24–17 of Title 18A, Education; provided, however, that a supplemental debt statement has heretofore been prepared, sworn to and filed in the places required by said N. J. S. 18A:24–17, and provided further, that no action, suit or other proceeding of any nature to contest the validity of such proceedings has heretofore been instituted prior to the date on which this act takes effect and within the time fixed therefor by or pursuant to law or rule of court, or when such time has not heretofore expired, is instituted within 30 days after the effective date of this act.

2. This act shall take effect immediately.

Approved June 11, 1981.

CHAPTER 167

AN ACT concerning certain crimes, enacting an additional Part 6, chapter 41, Racketeering in Subtitle 2 of Title 2C of the New Jersey Statutes, and amending and supplementing Title 2C of the New Jersey Statutes, the "New Jersey Code of Criminal Justice," P. L. 1978, c. 95.

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

C. 2C:41-1.1 Declaration of policy and legislative findings.

1. (New section) Declaration of policy and legislative findings. The Legislature hereby finds and declares to be the public policy of this State, the following:

a. By enactment of the "Criminal Justice Act of 1970," P. L. 1970, c. 74 (C. 52:17B–97 et seq.), the Legislature recognized that

the existence of organized crime and organized crime type activities presents a serious threat to the political, social and economic institutions of this State.

b. Despite the impressive gains of our law enforcement agencies, organized crime and similar activities in this State are still a highly sophisticated, diversified and widespread activity that annually drains millions of dollars from this State's economy by unlawful conduct and the illegal use of force, fraud and corruption. In recent years, that organized crime and organized criminal type activity has spread to the operation of otherwise legitimate businesses.

c. In order to safeguard the public interest, effective criminal and civil sanctions are needed to prevent, disrupt and eliminate the infiltration of organized crime type activities which are substantial in nature into the legitimate trade or commerce of this State. It is, therefore, in the public interest to provide that activity which is inimical to the general health, welfare and prosperity of the State and its inhabitants be made subject to strict civil and criminal sanctions.

2. An additional Part 6, chapter 41, Racketeering, is added to Subtitle 2 of Title 2C of the New Jersey Statutes as follows:

PART 6

CHAPTER 41. RACKETEERING

Definitions.

2C:41–1. Definitions. For purposes of this section and N. J. S. 2C:41–2 through N. J. S. 2C:41–6: a. "Racketeering activity" means (1) any of the following crimes which are crimes under the laws of New Jersey or are equivalent crimes under the laws of any other jurisdiction:

(a) murder
(b) kidnapping
(c) gambling
(d) promoting prostitution
(e) obscenity
(f) robbery
(g) bribery
(h) extortion
(i) criminal usury
(j) violations of Title 33 of the Revised Statutes
(k) violations of Title 54A of the New Jersey Statutes and Title 54 of the Revised Statutes

(l) arson
(m) burglary
(n) theft and related crimes
(o) forgery and fraudulent practices
(p) fraud in the offering, sale or purchase of securities
(q) alteration of motor vehicle identification numbers
(r) unlawful manufacture, purchase, use or transfer of firearms
(s) unlawful possession or use of destructive devices or explosives
(t) violation of sections 112 through 116 inclusive of the "Casino Control Act," P. L. 1977, c. 110 (C. 5:12–112 through 116)
(u) violation of section 19 of the "New Jersey Controlled Dangerous Substances Act," P. L. 1970, c. 226 (C. 24:21–19), except possession of 84 grams or less of marijuana
(2) any conduct defined as "racketeering activity" under Title 18, United States Code, § 1961 (1) (A), (B) and (D).

b. "Person" includes any individual or entity or enterprise as defined herein holding or capable of holding a legal or beneficial interest in property.

c. "Enterprise" includes any individual, sole proprietorship, partnership, corporation, business or charitable trust, association, or other legal entity, any union or group of individuals associated in fact although not a legal entity, and it includes illicit as well as licit enterprises and governmental as well as other entities.

d. "Pattern of racketeering activity" requires
(1) Engaging in at least two incidents of racketeering conduct one of which shall have occurred after the effective date of this act and the last of which shall have occurred within 10 years (excluding any period of imprisonment) after a prior incident of racketeering activity; and
(2) A showing that the incidents of racketeering activity embrace criminal conduct that has either the same or similar purposes, results, participants or victims or methods of commission or are otherwise interrelated by distinguishing characteristics and are not isolated incidents.

e. "Unlawful debt" means a debt
(1) Which was incurred or contracted in gambling activity which was in violation of the law of the United States, a state or political subdivision thereof; or
(2) Which is unenforceable under State or Federal law in whole or in part as to principal or interest because of the laws relating to usury.

f. "Documentary material" includes any book, paper, document, writing, drawing, graph, chart, photograph, phonorecord, magnetic or recording or video tape, computer printout, other data compilation from which information can be obtained or from which information can be translated into useable form or other tangible item.

g. "Attorney General" includes the Attorney General of New Jersey, his assistants and deputies. The term shall also include a county prosecutor or his designated assistant prosecutor if a county prosecutor is expressly authorized in writing by the Attorney General to carry out the powers conferred on the Attorney General by this chapter.

h. "Trade or commerce" shall include all economic activity involving or relating to any commodity or service.

Prohibited activities.

2C:41–2. Prohibited activities. a. It shall be unlawful for any person who has received any income derived, directly or indirectly, from a pattern of racketeering activity or through collection of an unlawful debt in which he has participated as a principal within the meaning of N. J. S. 2C:2–6 to use or invest, directly or indirectly, any part of the income, or the proceeds of the income, in acquisition of any interest in, or the establishment or operation of any enterprise which is engaged in or the activities of which affect trade or commerce. A purchase of securities on the open market for purposes of investment, and without the intention of controlling or participating in the control of the issuer or of assisting another to do so, shall not be unlawful under this section, provided that the sum total of the securities of the issuer held by the purchaser, the members of his family, and his or their accomplices in any pattern of racketeering activity or in the collection of an unlawful debt does not amount in the aggregate to 1% of the outstanding securities of any one class, or does not, either in law or in fact, empower the holders thereof to elect one or more directors of the issuer, provided further, that if, in any proceeding involving an alleged investment in violation of this section, it is established that over half of the defendant's aggregate income for a period of 2 or more years immediately preceding the investment was derived from a pattern of racketeering activity, a rebuttable presumption shall arise that the investment included income derived from a pattern of racketeering activity.

b. It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain, directly or indirectly, any interest in or

control of any enterprise which is engaged in or activities of which affect trade or commerce.

c. It shall be unlawful for any person employed by or associated with any enterprise engaged in or activities of which affect trade or commerce to conduct or participate, directly or indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt.

d. It shall be unlawful for any person to conspire as defined by N. J. S. 2C:5–2, to violate any of the provisions of this section.

Criminal penalties.

2C:41–3. Criminal penalties. a. Any person who violates any provision of N. J. S. 2C:41–2 in connection with a pattern of racketeering activity which involves a crime of violence or the use of firearms shall be guilty of a crime of the first degree. All other violations of N. J. S. 2C:41–2 shall be crimes of the second degree.

b. In addition, such persons shall forfeit to the entity funding the prosecuting agency involved the following:

(1) Any interest including money or anything of value he has acquired or maintained in violation of this chapter and

(2) Any interest in, security of, claim against, or property or contractual right of any kind affording a source of influence over any enterprise which he has established, acquired, maintained, operated, controlled, conducted, or participated in the conduct of, in violation of this chapter.

c. In any action brought by the Attorney General under this section, the Superior Court shall have jurisdiction to enter such restraining orders or prohibitions, or to take such other actions, including, but not limited to, the acceptance of satisfactory performance bonds, in connection with any property or other interests subject to forfeiture under this section, as it shall deem proper.

d. Upon conviction of a person under this section, the court shall authorize the Attorney General to seize all property or other interest declared forfeited under this section, subject to the rights of innocent persons such as any prior lienholders or other valid lienholders, upon such other terms and conditions as the court shall deem proper. If a property right or other interest is not exercisable or transferable for value by the Attorney General, it shall expire, and shall not revert to the convicted person.

e. The Attorney General shall dispose of all such property as soon as commercially feasible, making due provision for the rights of innocent persons.

f. When an offense charged may result in a criminal forfeiture, the indictment shall allege the extent of the interest or property subject to forfeiture. If the indictment alleges that an interest or property is subject to criminal forfeiture, a special verdict shall be returned as to the extent of the interest or property subject to forfeiture, if any.

Civil remedies.

2C:41-4. Civil remedies. a. The Superior Court, making due provision for the rights of innocent persons, shall have jurisdiction to prevent and restrain the acts or conduct which constitute violations of N. J. S. 2C:41-2, by issuing appropriate orders, including, but not limited to:

(1) Ordering any person to divest himself of any interest, direct or indirect, in any enterprise;

(2) Imposing reasonable restrictions on the future activities or investments of any person, including but not limited to, prohibiting any person from engaging in the same type of endeavor as the enterprise found to be in violation of N. J. S. 2C:41-2;

(3) Ordering the dissolution or reorganization of any enterprise;

(4) Ordering the denial, suspension or revocation of the charter of any corporation organized under the laws of this State and to deny, suspend or revoke the license of any foreign corporation authorized to do business in the State of New Jersey;

(5) Ordering the denial, suspension or revocation of the license or permit granted to any enterprise by any department or agency of the State of New Jersey;

(6) Entering a cease and desist order which specifies the acts or conduct which is to be discontinued, altered or implemented by any person;

(7) Ordering the restitution of any moneys or property unlawfully obtained or retained by any person found to be in violation of N. J. S. 2C:41-2;

(8) Assessing civil monetary penalties against any person who has violated N. J. S. 2C:41-2 to deter future violations, provided that the court shall, upon making a finding on the record as to the gain any such person has acquired or maintained through the violation, assess such penalties in an amount not to exceed three times the amount of the gain; and

(9) Ordering any person to forfeit to the State any interest he has acquired or maintained in violation of this chapter and any interest in, security of, claim against, or property or contractual right of any kind affording a source of influence over any enter-

prises he has established, operated, controlled, conducted, or participated in the conduct of, in violation of this chapter. Forfeiture under this subsection shall be in accordance with chapter 64 of Title 2C of the New Jersey Statutes. The interest which shall be subject to forfeiture shall be as defined by this section and as defined by N. J. S. 2C:64–1a.;

(10) Imposing any or all of the foregoing sanctions in combination with each other.

b. The Attorney General may institute proceedings in Superior Court for violations of N. J. S. 2C:41–2. In any action brought under this section, the court shall proceed as soon as practicable to the hearing and determination thereof. Pending final determination thereof, the court may at any time enter restraining orders or prohibitions, or take other actions, including the acceptance of satisfactory performance bonds, as it shall deem proper.

c. Any person damaged in his business or property by reason of a violation of N. J. S. 2C:41–2 may sue therefor in any appropriate court and shall recover threefold any damages he sustains and the cost of the suit, including a reasonable attorney's fee, costs of investigation and litigation.

d. A final judgment rendered in favor of the State in any criminal proceeding brought under this chapter shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding.

Investigative interrogatories.

2C:41–5. Investigative interrogatories.

a. Whenever the Attorney General determines that there exists a reasonable suspicion that any person or enterprise may have information or be in possession, custody, or control of any documentary materials relevant to an investigation under this chapter, or whenever the Attorney General believes it to be in the public interest that an investigation be made pursuant to this chapter, he may, prior to the institution of a civil or criminal proceeding thereon, issue in writing, and cause to be served upon the person, an investigative interrogatory requiring him to answer and produce material for examination.

b. Each interrogatory shall:

(1) State the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable thereto;

(2) Advise the person that he has the right to discuss the interrogatory with legal counsel prior to returning it to the Attorney

General or prior to making material available as provided hereinafter in subsection f. and that he has the right to file in Superior Court a petition to modify or set aside the interrogatory pursuant to subsection j. hereinafter;

(3) Describe the class or classes of documentary material to be produced thereunder with such specificity and certainty as to permit the material to be fairly identified;

(4) Prescribe a return date which will provide a reasonable period of time within which answers may be made and material so demanded may be assembled and made available for inspection and copying or reproduction as provided hereinafter in subsection f.

c. No interrogatory shall:

(1) Contain any requirement which would be held to be unreasonable if contained in a subpena duces tecum issued in aid of a grand jury investigation; or

(2) Require the production of any documentary evidence which would be otherwise privileged from disclosure if demanded by a subpena duces tecum issued in aid of a grand jury investigation.

d. Service of any interrogatory filed under this section may be made upon a person by:

(1) Delivering a duly executed copy thereof to any partner, executive officer, managing agent, or general agent thereof, or to any agent thereof authorized by appointment or by law to receive service of process on behalf of the person, or upon any individual person; or

(2) Delivering a duly executed copy thereof to the principal office or place of business of the person to be served; or

(3) Depositing a copy in the United States mail, by registered or certified mail duly addressed to the person at his principal office or place of business.

e. A verified return by the individual serving any interrogatory, setting forth the manner of service shall be prima facie proof of service. In the case of service by registered or certified mail, the return shall be accompanied by the return post office receipt of delivery of the interrogatory.

f. Any person upon whom any interrogatory issued under this section has been duly served which requires the production of materials shall make the material available for inspection and copying or reproduction to the Attorney General at the principal place of business of that person in the State of New Jersey or at such other place as the Attorney General and the person thereafter may agree and prescribe in writing, on the return date specified

in the interrogatory or on a later date as the Attorney General may prescribe in writing. Upon written agreement between the person and the Attorney General, copies may be substituted for all or any part of the original materials. The Attorney General may cause the preparation of any copies of documentary material as may be required for official use by the Attorney General.

No material produced pursuant to this section shall be available for examination, without the consent of the person who produced the material, by an individual other than the Attorney General or any person retained by the Attorney General in connection with the enforcement of this act. Under reasonable terms and conditions as the Attorney General shall prescribe, documentary material while in his possession shall be available for examination by the person who produced the material or any duly authorized representatives of the person.

In any case or proceeding involving any alleged violation of this chapter, the Attorney General may present before any court or Grand Jury, any such documentary material in his possession pursuant to this section subject to any protective order deemed proper by the Superior Court.

Any person who shall disclose to any person other than the Attorney General or a person retained by the Attorney General as set forth above, the name of any person who receives an investigative interrogatory or any information obtained pursuant thereto, except in proceedings involving an alleged violation of this chapter and except as so directed by the Attorney General shall be guilty of a crime of the fourth degree.

g. Upon completion of:

(1) The review and investigation for which any documentary material was produced under this section, and

(2) Any case or proceeding arising from the investigation, the Attorney General shall return to the person who produced the material all the material other than copies thereof made by the Attorney General pursuant to this section which has not passed into the control of any court or grand jury through the introduction thereof into the record of the case or proceeding.

h. When any documentary material has been produced by any person under this section for use in any racketeering investigation, and no case or proceeding arising therefrom has been instituted within 2 years after completion of the examination and analysis of all evidence assembled in the course of the investigation, the

person shall be entitled, upon written demand made upon the Attorney General, to the return of all documentary material other than copies thereof made pursuant to this section so produced by the person.

i. Whenever any person fails to comply with any investigative interrogatory duly served upon him under this section or whenever satisfactory copying or reproduction of any material cannot be done and the person refuses to surrender the material, the Attorney General may file in the Superior Court a petition for an order of the court for the enforcement of this section.

j. At any time before the return date specified in the interrogatory, such person may file in the Superior Court a petition for an order modifying or setting aside the interrogatory. The time allowed for compliance of the interrogatory, in whole or in part as deemed proper and ordered by the court, shall not run during the pendency of such petition in the court. The petition shall specify each ground upon which the petitioner relies in seeking relief, and may be based upon any failure of the interrogatory to comply with the provisions of this section or upon any constitutional or other legal right or privilege of the petitioner. In such proceeding the Attorney General shall establish the existence of an investigation pursuant to this chapter and the nature and subject matter of the investigation.

Liberal construction.

2C:41-6. Liberal construction.

The provisions of subsections a., c., d., e., and h. of 2C:41-1; 2C:41-2; subsections b., c., d., e., and f. of 2C:41-3; and 2C:41-4 shall be liberally construed to effectuate the remedial purposes of this chapter.

3. N. J. S. 2C:5-2 is amended to read as follows:

Conspiracy.

2C:5-2. Conspiracy. a. Definition of conspiracy. A person is guilty of conspiracy with another person or persons to commit a crime if with the purpose of promoting or facilitating its commission he:

(1) Agrees with such other person or persons that they or one or more of them will engage in conduct which constitutes such crime or an attempt or solicitation to commit such crime; or

(2) Agrees to aid such other person or persons in the planning or commission of such crime or of an attempt or solicitation to commit such crime.

b. Scope of conspiratorial relationship. If a person guilty of conspiracy, as defined by subsection a. of this section, knows that a person with whom he conspires to commit a crime has conspired with another person or persons to commit the same crime, he is guilty of conspiring with such other person or persons, whether or not he knows their identity, to commit such crime.

c. Conspiracy with multiple objectives. If a person conspires to commit a number of crimes, he is guilty of only one conspiracy so long as such multiple crimes are the object of the same agreement or continuous conspiratorial relationship. It shall not be a defense to a charge under this section that one or more of the objectives of the conspiracy was not criminal provided that one or more of its objectives or the means of promoting or facilitating an objective of the conspiracy is criminal.

d. Overt act. No person may be convicted of conspiracy to commit a crime, other than a crime of the first or second degree or a crime defined under the "New Jersey Controlled Dangerous Substances Act," P. L. 1970, c. 226 (C. 24:21–1 et seq.), unless an overt act in pursuance of such conspiracy is proved to have been done by him or by a person with whom he conspired.

e. Renunciation of purpose. It is an affirmative defense which the actor must prove by a preponderance of the evidence that he, after conspiring to commit a crime, informed the authority of the existence of the conspiracy and his participation therein, and thwarted or caused to be thwarted the commission of any offense in furtherance of the conspiracy, under circumstances manifesting a complete and voluntary renunciation of criminal purpose as defined in 2C:5–1d., provided, however, that an attempt as defined in 2C:5–1 shall not be considered an offense for purposes of renunciation under this subsection.

f. Duration of conspiracy. For the purpose of section 2C:1–6d.:

(1) Conspiracy is a continuing course of conduct which terminates when the crime or crimes which are its object are committed or the agreement that they be committed is abandoned by the defendant and by those with whom he conspired; and

(2) Such abandonment is presumed with respect to a crime other than one of the first or second degree if neither the defendant nor anyone with whom he conspired does any overt act in pursuance of the conspiracy during the applicable period of limitation; and

(3) If an individual abandons the agreement, the conspiracy is terminated as to him only if and when he advises those with whom he conspired of his abandonment or he informs the law enforce-

ment authorities of the existence of the conspiracy and of his participation therein.

g. Leader of organized crime. A person is a leader of organized crime if he purposefully conspires with others as an organizer, supervisor or manager, to commit a continuing series of crimes which constitute a pattern of racketeeering activity under the provisions of N. J. S. 2C:41–1, provided, however, that notwithstanding 2C:1–8a.2. a conviction of leader of organized crime shall not merge with the conviction of any other crime which constitutes racketeering activity under 2C:41–1.

4. N. J. S. 2C:5–4 is amended to read as follows:

Grading of criminal attempt and conspiracy; mitigation in cases of lesser danger.

2C:5–4. Grading of Criminal Attempt and Conspiracy; Mitigation in Cases of Lesser Danger. a. Grading. An attempt or conspiracy to commit a crime of the first degree is a crime of the second degree. Otherwise an attempt is a crime of the same degree as the most serious crime which is attempted, and conspiracy is a crime of the same degree as the most serious crime which is the object of the conspiracy; provided that, leader of organized crime is a crime of the second degree. An attempt or conspiracy to commit an offense defined by a statute outside the code shall be graded as a crime of the same degree as the offense is graded pursuant to sections 2C:1–4 and 2C:43–1.

b. Mitigation. The court may impose sentence for a crime of a lower grade or degree if neither the particular conduct charged nor the defendant presents a public danger warranting the grading provided for such crime under subsection a. because:

(1) The criminal attempt or conspiracy charged is so inherently unlikely to result or culminate in the commission of a crime; or

(2) The conspiracy, as to the particular defendant charged, is so peripherally related to the main unlawful enterprise.

5. N. J. S. 2C:20–1 is amended to read as follows:

Definitions.

2C:20–1. Definitions. In chapters 20 and 21 unless a different meaning plainly is required:

a. "Deprive" means: (1) to withhold or cause to be withheld property of another permanently or for so extended a period as to appropriate a substantial portion of its economic value, or with purpose to restore only upon payment of reward or other compensation; or (2) to dispose or cause disposal of the property so as to make it unlikely that the owner will recover it.

b. "Fiduciary" means an executor, general administrator of an intestate, administrator with the will annexed, substituted administrator, guardian, substituted guardian, trustee under any trust express, implied, resulting or constructive, substituted trustee, executor, conservator, curator, receiver, trustee in bankruptcy, assignee for the benefit of creditors, partner, agent or officer of a corporation, public or private, temporary administrator, administrator, administrator pendente lite, administrator ad prosequendum, administrator ad litem or other person acting in a similar capacity.

c. "Financial institution" means a bank, insurance company, credit union, savings and loan association, investment trust or other organization held out to the public as a place of deposit of funds or medium of savings or collective investment.

d. "Government" means the United States, any state, county, municipality, or other political unit, or any department, agency or subdivision of any of the foregoing, or any corporation or other association carrying out the functions of government.

e. "Movable property" means property the location of which can be changed, including things growing on, affixed to, or found in land, and documents although the rights represented thereby have no physical location. "Immovable property" is all other property.

f. "Obtain" means: (1) in relation to property, to bring about a transfer or purported transfer of a legal interest in the property, whether to the obtainer or another; or (2) in relation to labor or service, to secure performance thereof.

g. "Property" means anything of value, including real estate, tangible and intangible personal property, trade secrets, contract rights, choses-in-action and other interests in or claims to wealth, admission or transportation tickets, captured or domestic animals, food and drink, electric, gas, steam or other power.

h. "Property of another" includes property in which any person other than the actor has an interest which the actor is not privileged to infringe, regardless of the fact that the actor also has an interest in the property and regardless of the fact that the other person might be precluded from civil recovery because the property was used in an unlawful transaction or was subject to forfeiture as contraband. Property in possession of the actor shall not be deemed property of another who has only a security interest therein, even if legal title is in the creditor pursuant to a conditional sales contract or other security agreement.

i. "Trade secret" means the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula or improvement which is secret and of value. A trade secret shall be presumed to be secret when the owner thereof takes measures to prevent it from becoming available to persons other than those selected by the owner to have access thereto for limited purposes.

j. "Dealer in property" means a person who buys and sells property as a business.

k. "Traffic" means:

(1) To sell, transfer, distribute, dispense or otherwise dispose of property to another person; or

(2) To buy, receive, possess, or obtain control of or use property, with intent to sell, transfer, distribute, dispense or otherwise dispose of such property to another person.

l. "Broken succession of title" means lack of regular documents of purchase and transfer by any seller except the manufacturer of the subject property, or possession of documents of purchase and transfer by any buyer without corresponding documents of sale and transfer in possession of seller, or possession of documents of sale and transfer by seller without corresponding documents of purchase and transfer in possession of any buyer.

m. "Person" includes any individual or entity or enterprise as defined herein holding or capable of holding a legal or beneficial interest in property.

n. "Anything of value" means any direct or indirect gain or advantage to any person.

o. "Interest in property which has been stolen" means title or right of possession to such property.

p. "Stolen property" means property that has been the subject of any unlawful taking.

q. "Enterprise" includes any individual, sole proprietorship, partnership, corporation, business trust, association, or other legal entity, and any union or group of individuals associated in fact although not a legal entity, and it includes illicit as well as licit enterprises and governmental as well as other entities.

r. "Attorney General" includes the Attorney General of New Jersey, his assistants and deputies. The term shall also include a county prosecutor or his designated assistant prosecutor if a county prosecutor is expressly authorized in writing by the Attorney General to carry out the powers conferred on the Attorney General by this chapter.

6. N. J. S. 2C:20–2 is amended to read as follows:

Consolidation of theft offenses; grading; provisions applicable to theft generally.

2C:20–2. Consolidation of Theft Offenses; Grading; Provisions Applicable to Theft Generally. a. Consolidation of Theft Offenses. Conduct denominated theft in this chapter constitutes a single offense, but each episode or transaction may be the subject of a separate prosecution and conviction. A charge of theft may be supported by evidence that it was committed in any manner that would be theft under this chapter, notwithstanding the specification of a different manner in the indictment or accusation, subject only to the power of the court to ensure fair trial by granting a bill of particulars, discovery, a continuance, or other appropriate relief where the conduct of the defense would be prejudiced by lack of fair notice or by surprise.

b. Grading of theft offenses.

(1) Theft constitutes a crime of the second degree if the amount involved is $75,000.00 or more if the property is taken by extortion.

(2) Theft constitutes a crime of the third degree if:

(a) The amount involved exceeds $500.00 but is less than $75,000.00;

(b) The property stolen is a firearm, automobile, boat, horse or airplane;

(c) The property stolen is a controlled dangerous substance as defined in P. L. 1970, c. 226 (C. 24:21–1 et seq.);

(d) It is from the person of the victim;

(e) It is in breach of an obligation by a person in his capacity as a fiduciary;

(f) It is by threat not amounting to extortion; or

(g) It is of a public record, writing or instrument kept, filed or deposited according to law with or in the keeping of any public office or public servant.

(3) Theft constitutes a crime of the fourth degree if the amount involved is at least $200.00 but does not exceed $500.00. If the amount involved was less than $200.00 the offense constitutes a disorderly persons offense.

(4) The amount involved in a theft shall be determined by the trier of fact. Amounts involved in thefts committed pursuant to one scheme or course of conduct, whether from the same person or several persons, may be aggregated in determining the grade of the offense.

c. Claim of right. It is an affirmative defense to prosecution for theft that the actor:

(1) Was unaware that the property or service was that of another;

(2) Acted under an honest claim of right to the property or service involved or that he had a right to acquire or dispose of it as he did; or

(3) Took property exposed for sale, intending to purchase and pay for it promptly, or reasonably believing that the owner, if present, would have consented.

d. Theft from spouse. It is no defense that theft was from the actor's spouse, except that misappropriation of household and personal effects, or other property normally accessible to both spouses, is theft only if it occurs after the parties have ceased living together.

Chapter 20 of Title 2C of the New Jersey Statutes is supplemented by sections 7 through 10 as follows:

C. 2C:20-7.1 Fencing.

7. (New section) Fencing. a. Possession of altered property. Any dealer in property who knew or should have known that the identifying features such as serial numbers and permanently affixed labels of property in his possession have been removed or altered without the consent of the manufacturer is guilty of possession of altered property. It is a defense to a prosecution under this subsection that a person lawfully possesses the usual indicia of ownership in addition to mere possession.

b. Dealing in stolen property. A person is guilty of dealing in stolen property if he traffics in, or initiates, organizes, plans, finances, directs, manages or supervises trafficking in stolen property.

c. The value of the property involved in the violation of this section shall be determined by the trier of fact. The value of the property involved in the violation of this section may be aggregated in determining the grade of the offense where the acts or conduct constituting a violation were committed pursuant to one scheme or course of conduct, whether from the same person or several persons.

d. It is an affirmative defense to a prosecution under this section that the actor:

(1) Was unaware that the property or service was that of another;

(2) Acted under an honest claim of right to the property or service involved or that he had a right to acquire or dispose of it as he did.

e. In addition to the presumptions contained in N. J. S. 2C:20–7b. the following presumptions are available in the prosecution for a fencing offense:

(1) Proof of the purchase or sale of property at a price substantially below its fair market value, unless satisfactorily explained, gives rise to an inference that the person buying or selling the property knew that it had been stolen;

(2) Proof of the purchase or sale of property by a dealer in that property, out of the regular course of business, or without the usual indicia of ownership other than mere possession, or the property or the job lot of which it is a part was bought, received, possessed or controlled in broken succession of title, so that it cannot be traced, by appropriate documents, in unbroken succession to the manufacturer, in all cases where the regular course of business reasonably indicates records of purchase, transfer or sale, unless satisfactorily explained, gives rise to an inference that the person buying or selling the property knew that it had been stolen; and

(3) Proof that a person buying or selling property of the sort received obtained such property without having ascertained by reasonable inquiry that the person from whom he obtained it had a legal right to possess or control it gives rise to an inference that such person knew that it had been stolen.

C. 2C:20-20 Civil actions.

8. (New section) Civil Actions.

a. Any person damaged in his business or property by reason of a violation of section 7 of this amendatory and supplementary act may sue therefor in any appropriate court and shall recover threefold any damages he sustains and the cost of the suit, including a reasonable attorney's fee, costs of investigation and litigation.

b. (1) All persons who have possessed or obtained control of stolen property are liable as principals and may be sued jointly or severally, whether or not possession or control was joint.

(2) Any person held liable for possession or control of stolen property under chapter 20 of Title 2C of the New Jersey Statutes shall have standing to bring a civil action for contribution from any person who possessed or exercised control over the stolen property and who knew, had reason to know, or was reckless with regard to the risk that it was stolen.

c. Any action for damages under chapter 20 of Title 2C of the New Jersey Statutes shall be maintained in the Superior Court or county district court, sitting without a jury.

C. 2C:20-21 Injunctive relief by State; other persons.

9. (New section) Injunctive Relief by State; Other Persons.

a. In addition to any other action or proceeding authorized by law, the Attorney General or a person alleging injury or loss, may bring an action in the Superior Court to enjoin violations of chapter 20 of Title 2C of the New Jersey Statutes, or to enjoin any acts in furtherance thereof. The Superior Court, in any action brought pursuant to this section, shall, after making due provision for the rights of innocent persons such as prior lienholders or other valid lienholders whose rights are prior to those of the State, grant relief as may be appropriate in the circumstances, including but not limited to:

(1) Ordering any defendant to divest himself of any interest in any enterprise, including real estate;

(2) Imposing reasonable restrictions upon the future activities or investments of any defendant, including but not limited to, prohibiting any defendant from engaging in the same type of endeavor as the enterprise in which he was engaged in violation of chapter 20 of Title 2C of the New Jersey Statutes; or

(3) Ordering the dissolution or reorganization of any enterprise; or

(4) Ordering the suspension or revocation of any license, permit, or prior approval granted to any enterprise by any department or agency of the State; or

(5) Ordering the forfeiture of the charter of a corporation organized under the laws of this State or the revocation of a certificate authorizing a foreign corporation to conduct business within this State, upon finding that the board of directors or a managerial agent acting on behalf of the corporation, in conducting the affairs of the corporation, has authorized or engaged in conduct in violation of chapter 20 of Title 2C of the New Jersey Statutes and that, for the prevention of future criminal activity, the public interest requires the charter of the corporation forfeited and the corporation dissolved or the certificate revoked.

b. In any action the Attorney General or injured person shall move as soon as practicable for a hearing and determination. Pending final determination, the Superior Court may enter temporary orders, including restraints and prohibitions, or take other actions as are in the interest of justice.

C. 2C:20-22 Estoppel.

10. (New section) Estoppel. A final judgment rendered in favor of the Attorney General or other person in any criminal action, or

proceeding under chapter 20 of Title 2C of the New Jersey Statutes, shall estop the defendant in the action or proceeding in any subsequent civil action or proceeding under chapter 20 of Title 2C of the New Jersey Statutes as to all matters as to which the judgment in the action or proceeding would be an estoppel as between the parties to it.

C. 2C:41-6.1 Remedies cumulative.

11. (New section) The remedies provided in this act shall be cumulative with each other and other remedies at law.

C. 2C:41-6.2 Partial invalidity.

12. (New section) If any one or more sections, clauses, sentences or parts of this act shall for any reason be questioned in any court, and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions thereof, but shall be confined in its operation to the specific provisions so held unconstitutional or invalid.

13. This act shall take effect immediately.

Approved June 15, 1981.

CHAPTER 168

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. The following additional sums are appropriated from the General State Fund for the following purposes:

DIRECT STATE SERVICES

DEPARTMENT OF EDUCATION

37 Cultural and Intellectual Development Services

52–5075 Development of Historical Resources	$25,000
Total Appropriation, Cultural and Intellectual Development Services	$25,000
Special Purpose:	
Oral History Project	($10,000)
William Livingston Papers	(15,000)

STATE AID

DEPARTMENT OF EDUCATION

37 Cultural and Intellectual Development Services—State Aid

51-5070 Library Services	$100,000*
52–5075 Development of Historical Resources	47,376
Total Appropriation, Cultural and Intellectual Development Services	$147,376†
State Aid:	
State aid for certain libraries	($100,000*)
Senator James F. Murray, Jr. Historical Fund for New Jersey History	(47,376)

2. This act shall take effect immediately and shall be retroactive to July 1, 1980.

Approved June 18, 1981.

* Deleted by line item veto of the Governor. See statement following.

† Reduced to $47,376.

STATEMENT TO SENATE BILL NO. 1465 (2nd OCR)

To the Senate:

Pursuant to Article V, Section 1, paragraph 15 of the Constitution, I am appending to Senate Bill No. 1465 (2nd OCR) at the time of signing it, this statement of the items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

This supplemental appropriation bill would appropriate $10,000 for the State's Oral History Project, $15,000 for the New Jersey Historical Commission's work on the William Livingston Papers, $47,376 to the Senator James F. Murray, Jr. Historical Fund for New Jersey History and $100,000 in State aid to certain libraries.

Each of these items are worthy of State funding. However, due to the difficulty the State is having meeting all of its needs in the 1982 budget now being prepared, it is with reluctance that I approve any supplemental appropriations for FY '81. Despite this reservation, I support the above appropriations for the Oral History Project, the William Livingston Papers and the Senator James F. Murray, Jr. Historical Fund for New Jersey History. The amounts sought are modest, the projects involved are worthy and the funds are sorely needed.

I have decided to line item veto the State aid to certain libraries not because the funds are unneeded, but because it is more appropriate to deal with this item in the context of the FY '82 budget. The amount of money sought is greater than the above three appropriations combined. In addition, I note that the adjusted appropriation for this account in the FY '81 budget is $8,726,000.

On Page 1, Section 1, line 13A:
"51-5070 Library Services ..... $100,000"
This item is deleted in its entirety.

Respectfully,

[SEAL] /s/ BRENDAN BYRNE,
Attest: *Governor*
/s/ HAROLD L. HODES,
Chief of Staff, Secretary

CHAPTER 169

AN ACT concerning the procedure for changing the name of a municipality and amending R. S. 40:43–4.

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

1. R. S. 40:43–4 is amended to read as follows:

Procedure for changing name of municipality.

40:43–4. Whenever a petition praying for the change of name of any municipality and specifying the name proposed for adoption shall be signed by at least 30% of the legal voters therein who voted at the last preceding general election, and be filed in the office of the clerk of such municipality, such proposed change of

name shall be submitted to the voters at the first general election occurring in such municipality not less than 60 days after the filing of such petition, or at a special election, as shall be determined by resolution of the governing body, to be held in the municipality not less than 60 days after the filing of such petition. The clerk of such municipality shall advertise that said change of name will be voted upon at such election in the same manner as municipal elections are advertised, and the question of the change of name shall be printed upon the ballots and voted upon at such election in accordance with the general laws relating to elections, except that the governing body may conduct a special election at the same hours and polling places used in the most recent school election held in accordance with N. J. S. 18A:14–1 et seq.

2. This act shall take effect immediately.

Approved June 18, 1981.

CHAPTER 170

AN ACT concerning endangered and nongame species of wildlife, supplementing chapter 9 of Title 54A of the New Jersey Statutes.

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

C. 54A:9-25.2 Endangered and Nongame Species of Wildlife Conservation Fund.

1. There is hereby established in the Department of the Treasury a special fund to be known as the "Endangered and Nongame Species of Wildlife Conservation Fund." Each taxpayer who is due a tax refund on his taxes paid pursuant to Title 54A of the New Jersey Statutes shall have the opportunity to indicate on his tax return that a portion of his tax refund be deposited in such fund. The Director of the Division of Taxation shall provide the taxpayer with the opportunity to indicate his preference on the tax return in substantially the following way:

Endangered and Nongame Species of Wildlife Conservation Fund: I wish to contribute $2 ☐, $5 ☐, $10 ☐ of my tax refund to this fund.

The State Treasurer shall deposit into the fund all moneys designated for the fund pursuant to this supplementary act.

C. 54A:9-25.3 Appropriation to Department of Environmental Protection.

2. The Legislature shall annually appropriate all moneys deposited in the "Endangered and Nongame Species Conservation Fund" established pursuant to this act to the Department of Environmental Protection to effectuate the purposes of P. L. 1973, c. 309 (C. 23:2A–1 et seq.).

3. This act shall take effect immediately but shall not be applicable until the tax year commencing January 1, 1981.

Approved June 19, 1981.

CHAPTER 171

AN ACT to amend "An act to provide for exemption from taxation in certain cases, and supplementing chapter 4 of Title 54 of the Revised Statutes," approved July 21, 1948 (P. L. 1948, c. 259).

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

1. Section 1 of P. L. 1948, c. 259 (C. 54:4–3.30) is amended to read as follows:

C. 54:4-3.30 Exemption from taxation for certain disabled veterans; widow's rights.

1. a. The dwelling house and the lot or curtilage whereon the same is erected, of any citizen and resident of this State, now or hereafter honorably discharged or released under honorable circumstances, from active service, in time of war, in any branch of the Armed Forces of the United States who has been or shall be declared by the United States Veterans Administration or its successors to have a service-connected disability from paraplegia, sarcoidosis, osteochondritis resulting in permanent loss of the use of both legs, or permanent paralysis of both legs and lower parts of the body, or from hemiplegia and has permanent paralysis of one leg and one arm or either side of the body, resulting from injury to the spinal cord, skeletal structure, or brain or from disease of the spinal cord not resulting from any form of syphilis; or from total blindness; or from amputation of both arms or both legs, or both hands or both feet, or the combination of a hand and a foot; or from other service-connected disability declared by the United States Veterans Administration or its successor to be a total or 100% per-

manent disability, and not so evaluated solely because of hospitalization or surgery and recuperation, sustained through enemy action, or accident, or resulting from disease contracted while in such active service shall be exempt from taxation, on proper claim made therefor, and such exemption shall be in addition to any other exemption of such person's real and personal property which now is or hereafter shall be prescribed or allowed by the Constitution or by law but no taxpayer shall be allowed more than one exemption under this act.

b. The widow of any such citizen and resident of this State who at the time of his death was entitled to the exemption provided under this act, shall be entitled, on proper claim made therefor, to the same exemption as her husband so had, during her widowhood and while a resident of this State, for the time that she is the legal owner thereof and actually occupies the said dwelling house or any other dwelling house thereafter acquired.

c. The widow of any citizen and resident of this State, which citizen and resident died in active service in time of war in any branch of the Armed Forces of the United States, shall be entitled, on proper claim made therefor to an exemption from taxation on the dwelling house and lot or curtilage whereon the same is erected, during her widowhood and while a resident of this State, for the time that she is the legal owner thereof and actually occupies the said dwelling house or any other dwelling house thereafter acquired.

d. The widow of any citizen and resident of this State who died prior to January 10, 1972, that being the effective date of P. L. 1971, c. 398, and whose circumstances were such that, had said law become effective during the deceased's lifetime, he would have become eligible for the exemption granted under this section as amended by said law, shall be entitled, on proper claim made therefor, to the same exemption as her husband would have become eligible for upon the dwelling house and lot or curtilage occupied by him at the time of his death, during her widowhood and while a resident of this State, for the time that she is the legal owner thereof and actually occupies the said dwelling house on the premises to be exempted.

e. Nothing in this act shall be intended to include paraplegia or hemiplegia resulting from locomotor ataxia or other forms of syphilis of the central nervous system, or from chronic alcoholism, or to include other forms of disease resulting from the veteran's own misconduct which may produce signs and symptoms similar to those resulting from paraplegia, osteochondritis, or hemiplegia.

2. Section 2 of P. L. 1948, c. 259 (C. 54:4–3.31) is amended to read as follows:

C. 54:4-3.31 Written claim under oath for allowance by assessor.

2. All exemptions from taxation under this act shall be allowed by the assessor upon the filing with him of a claim in writing under oath, made by or on behalf of the person claiming the same, showing the right to the exemption, briefly describing the property for which exemption is claimed and having annexed thereto a certificate of the claimant's honorable discharge or release under honorable circumstances, from active service, in time of war, in any branch of the armed forces and a certificate from the United States Veterans Administration or its successors, certifying to a service-connected disability of such claimant of the character described in section 1 of this act. In the case of a claim by a widow of such veteran, she shall establish in writing under oath that she is the owner of the legal title to the premises on which exemption is claimed; that she occupies the dwelling house on said premises as her legal residence in this State; that her husband shall have been declared by the United States Veterans Administration to have a service-connected disability of a character described in this act, or, in the case of a claim for an exemption under subsection c. of section 1 of this act (C. 54:4–3.30), that her husband shall have been declared to have died in active service in time of war; that her husband was entitled to an exemption provided for in this act, except for an exemption under subsection c. of section 1 hereof, at the time of his death; and that she is a resident of this State and has not remarried. Such exemptions shall be allowed and prorated by the assessor for the remainder of any taxable year from the date the claimant shall have acquired title to the real property intended to be exempt by this act. Where a portion of a multiple-family building or structure occupied by the claimant is the subject of such exemption, the assessor shall aggregate the assessment on the lot or curtilage and building or structure and allow an exemption of that percentage of the aggregate assessment as the value of the portion of the building or structure occupied by the claimant bears to the value of the entire building or structure.

3. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 172

AN ACT to amend "An act to provide that certain funds which escheat to the State shall be credited to the 'Poultry Products Promotion Tax Account'," approved February 8, 1978 (P. L. 1977, c. 382).

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

1. Section 1 of P. L. 1977, c. 382 is amended to read as follows:

1. The provisions of any law to the contrary notwithstanding, any unclaimed funds of the Vineland Egg Auction of 110 North Sixth Street, Vineland, New Jersey, the North Jersey Egg Auction Association, Inc. of Wayne, New Jersey and the Central Jersey Farmers Cooperative Association, Inc. of Hightstown, New Jersey which escheat to the State pursuant to the provisions of chapter 37 of Title 2A of the New Jersey Statutes shall be credited to the "Poultry Products Promotion Tax Account" established pursuant to section 11 of P. L. 1957, c. 47 (C. 54:47A–11).

2. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 173

AN ACT concerning the taxation of motor fuels and amending R. S. 54:39–27.

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

1. R. S. 54:39–27 is amended to read as follows:

Report to director; tax; penalty.

54:39–27. Every distributor and gasoline jobber shall, on or before the twenty-second day of each month, render a report to the Director of the Division of Taxation, stating the number of gallons of fuel sold or used in this State by him during the preceding

calendar month. A tax of $0.08 per gallon on each gallon so reported, except diesel fuel, and a tax of $0.08 per gallon on each gallon of diesel fuel so reported, used, offered for sale, or sold for use to propel motor vehicles with diesel type engines on the public highways shall be paid by each distributor and gasoline jobber, such payment to accompany the filing of the report. Such report shall contain such further information as the director may require. Under such regulations as the director may prescribe, sales of fuel and diesel fuel may be made by one licensed distributor or gasoline jobber to another licensed distributor or gasoline jobber free of such tax. If any distributor or gasoline jobber shall fail, neglect or refuse to file the report within the time prescribed by this section, the director shall note such failure, neglect or refusal upon his records, and shall estimate the sales, distribution and use of said distributor or gasoline jobber, assessing the tax thereon, adding to said tax a penalty of 20% thereof for failure, neglect or refusal to report, and such estimate shall be prima facie evidence of the true amount of tax due to the director from such distributor or gasoline jobber; provided, that if a good and sufficient cause or reason is shown for such delinquency, the director may remit or waive the payment of the whole or any part of the penalty as provided in the State Tax Uniform Procedure Law, subtitle 9 of Title 54 of the Revised Statutes. Reports required by this section, exclusive of schedules, itemized statements and other supporting evidence annexed thereto, shall at all reasonable times be open to the public, anything contained in section 54:50–8 to the contrary notwithstanding.

2. This act shall take effect immediately and shall be applicable with respect to monthly reports required to be rendered for the calendar month of enactment and for each calendar month thereafter.

Approved June 19, 1981.

CHAPTER 174

AN ACT changing the designation of the custodian of school moneys to the treasurer of school moneys and amending sections 18A:13–14, 18A:16–1, 18A:17–9, 18A:17–31 to 18A:17–36, inclusive, 18A:19–1, 18A:19–2, 18A:19–4, 18A:19–9 to 18A:19–12, inclusive, 18A:24–59, 18A:49–5, and 18A:50–5 of the New Jersey Statutes.

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

1. N. J. S. 18A:13–14 is amended to read as follows:

Treasurer of school moneys; appointment; term of office; bond.

18A:13–14. The board shall appoint a treasurer of school moneys who may be a member of the board and it shall fix his salary. His term of office shall expire annually on June 30 of each year, but if a municipal officer is appointed treasurer, his term shall cease if he ceases to hold his municipal office and in either case, the treasurer shall continue in office after the expiration of his term until his successor is qualified. He shall give bond in such amount, and with such surety, as the board shall direct. The board in its determination of the amount shall be guided by a schedule of minimum limits to be promulgated by the State board.

2. N. J. S. 18A:16–1 is amended to read as follows:

Employment of officers and others.

18A:16–1. Each board of education, subject to the provisions of this title and of any other law, shall employ and may dismiss a secretary or a school business administrator to act as secretary and may employ and dismiss a superintendent of schools, a treasurer of school moneys, when and as provided by section 18A:13–14 or 18A:17–31, and such principals, teachers, janitors and other officers and employees, as it shall determine, and fix and alter their compensation and the length of their terms of employment.

3. N. J. S. 18A:17–9 is amended to read as follows:

Duties of secretary.

18A:17–9. The secretary shall:

a. Report to the board, at each regular meeting, but not oftener

than once each month, the amount of total appropriations and the cash receipts for each account, and the amount for which warrants have been drawn against each account and the amounts of orders or contractual obligations incurred and chargeable against each account since the date of his last report;

b. Keep and maintain in his office all contracts, records and documents belonging to the board, except such as shall be kept by the treasurer of school moneys pursuant to law, under such conditions as the board shall prescribe;

c. Perform any other duties prescribed by law.

4. N. J. S. 18A:17–31 is amended to read as follows:

Designation of treasurer.

18A:17–31. The treasurer of school moneys of each school district which does not contain more than one municipality shall be the custodian of the moneys of the municipality unless the board of education shall designate the tax collector of the municipality; provided, however, that if both the custodian of moneys of the municipality and the tax collector of the municipality submit written notifications to the board that they do not wish to serve as treasurer of school moneys, the board shall appoint any other suitable person except a member or employee of the board, with a term of office fixed by the board as such treasurer. If the school district contains more than one municipality, the person designated by law as the custodian of the moneys of the constituent municipality having the largest amount of taxable property shall be treasurer of the school moneys of the district unless and until the board shall appoint any other suitable person except a member or employee of the board and fix his term of office. Any municipal officer acting or designated as treasurer of school moneys who ceases to be such officer shall thereupon cease to be such treasurer.

5. N. J. S. 18A:17–32 is amended to read as follows:

Treasurer; bond.

18A:17–32. If the treasurer is an officer of the municipality constituting the district, and the bond given by him for the faithful performance of his duties as such municipal officer covers and secures the faithful performance of his duties as treasurer of school moneys, and it shall be so certified to the board by a certificate of such coverage by the bondsman thereon and the amount thereof is sufficient to cover both the original and the additional liability he shall not be required to give additional bond but other-

wise or if he is not such an officer he shall give bond for the faithful performance of his duties as treasurer of school moneys in such amount, and with such surety, as the board shall direct. In each case the board in its determination of the amount shall be guided by a schedule of minimum limits to be promulgated by the State board.

6. N. J. S. 18A:17–33 is amended to read as follows:

Compensation.

18A:17–33. The treasurer shall receive from the board of education such compensation as the board shall determine.

7. N. J. S. 18A:17–34 is amended to read as follows:

School moneys; reception and disposition.

18A:17–34. The treasurer shall receive and hold in trust all school moneys belonging to the district from whatever source derived free of any control by the governing body of any municipality comprised in said district, except such moneys as are derived from athletic events or other activities of pupil organizations of the district, and he shall, when required by resolution of the board, deposit the same or such part thereof as may be designated in any bank or banking institution of this State designated by it as a depository of school moneys, which may include the State of New Jersey Cash Management Fund, created pursuant to section 1 of P. L. 1977, c. 281 (C. 52:18A–90.4), and thereafter school moneys shall be deposited only in the depository or any of the depositories so named and the treasurer shall, upon depositing the same therein, be relieved from liability for any loss thereof which may be caused by reason of such deposit.

8. N. J. S. 18A:17–35 is amended to read as follows:

Record of receipts and payments.

18A:17–35. The treasurer shall keep a record of the sums received and paid out by him in books provided for that purpose and kept in accordance with the uniform system of bookkeeping prescribed by the State board. Upon ceasing to hold said office he shall pay over the balance of school funds remaining in his hands to his successor in office.

9. N. J. S. 18A:17–36 is amended to read as follows:

Reports giving account of receipts; warrants; filing.

18A:17–36. The treasurer shall render to the board monthly, and at such other times as shall be requested by the board, reports

giving a detailed account of all receipts, the amounts of all warrants signed by him since the date of his last report and the accounts against which, and the purposes for which, the warrants were drawn and the balance to the credit of each account, and at the close of the school year and not later than August 1 of each year he shall render an annual report showing the amounts received and disbursed by him for school purposes during said year, a duplicate whereof shall be filed with the county superintendent, and shall also report to the county superintendent in the manner and form prescribed by the commissioner.

10. N. J. S. 18A:19–1 is amended to read as follows:

Expenditure of funds.

18A:19–1. The money or funds of the board in the custody of the treasurer of school moneys shall be expended by such treasurer by, and only by, warrants, each made payable to the order of the person entitled to receive the amount thereof and specifying the object for which is issued, signed by the president and secretary of the board and by such treasurer of school moneys,

(a) After audit of the account or demand to be paid, by the secretary, and after approval by the board, or

(b) In accordance with payrolls duly certified as provided by this title, or

(c) For debt service.

11. N. J. S. 18A:19–2 is amended to read as follows:

Authorization for payment of claims; audit.

18A:19–2. No claim or demand against a school district shall be paid by the treasurer unless it is authorized by law and the rules of the board of education of the district, is fully itemized and verified, has been duly audited as required by law, has been presented to, and approved by, the board at a meeting thereof and the amount required to pay the same is available for said purpose.

12. N. J. S. 18A:19–4 is amended to read as follows:

Examination, audit and certification of claims; payment.

18A:19–4. All claims and demands against the board, except such as are to be paid from funds derived from athletic events or other activities of pupil organizations, shall be examined, audited and certified, in writing, by the secretary and presented by him to the board for its approval at a regularly called meeting and if

found to be correct, shall be ordered paid by the board, whereupon the secretary and the president of the board shall issue and sign a warrant in payment therefor. The secretary thereupon shall forward such warrant to the treasurer of school moneys of the district.

13. N. J. S. 18A:19–9 is amended to read as follows:

Compensation to teachers and other employees.

18A:19–9. Payment of the compensation of teachers and other employees may be made on the basis of payrolls certified by the president and secretary of the board, stating the names and amounts to be paid to each, and delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

14. N. J. S. 18A:19–10 is amended to read as follows:

Deposit of warrants in payroll account.

18A:19–10. The treasurer shall deposit the warrants in a separate bank account as a payroll account and payment shall be made to the teachers and others entitled thereto by individual checks drawn to their respective orders upon such account.

15. N. J. S. 18A:19–11 is amended to read as follows:

Signature on payroll checks.

18A:19–11. If the treasurer of the school moneys of the district is the custodian of the municipality composing it, such payroll checks may be signed by a deputy or a municipal officer who serves as such municipal custodian, if the deputy is bonded for the faithful performance of such duties in the same manner as is the treasurer.

16. N. J. S. 18A:19–12 is amended to read as follows:

Interest rate on certain warrants.

18A:19–12. When a warrant for the payment of current expenses of a public school is drawn and issued and there are no funds for payment of the same, the warrant shall bear legal interest until such time as the treasurer gives public notice of the fact that funds are provided for the payment thereof.

17. N. J. S. 18A:24–59 is amended to read as follows:

Moneys received for payment of principal and interest.

18A:24–59. All moneys received for payment of principal and interest of obligations of a type II school district payable in any year shall be paid to the treasurer of school moneys of the district, who shall deposit them in such bank as shall be determined by resolution by the board, in order to provide for the payment thereof.

18. N. J. S. 18A:49–5 is amended to read as follows:

Evening schools; custodian of funds.

18A:49–5. The treasurer of school moneys of the school district shall be the legal custodian of all funds appropriated, raised, or subscribed for the maintenance of such evening schools. He shall keep a separate and distinct account thereof, and shall disburse the moneys on orders signed by the president and secretary of the board of education.

19. N. J. S. 18A:50–5 is amended to read as follows:

Adult education; custodian of funds.

18A:50–5. The treasurer of school moneys of each school district shall be the legal custodian of all funds allocated by the board of education and received from tuition fees or from any other source for the purpose of carrying out a program of adult education. He shall keep a separate account thereof and shall disburse the moneys on orders signed by the president and secretary of the board of education.

20. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 175

AN ACT to amend the "Unsatified Claim and Judgment Fund Law," approved May 10, 1952 (P. L. 1952, c. 174).

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

1. Section 27 of P. L. 1952, c. 174 (C. 39:6–87) is amended to read as follows:

C. 39:6-87 Registration, etc., not restored until fund is reimbursed.

27. Registration, etc., not restored until fund is reimbursed. Where the license or privileges of any person, or the registration of a motor vehicle registered in his name, has been suspended or cancelled under the Motor Vehicle Security-Responsibility Law of this State, and the treasurer has paid from the fund any amount in settlement of a claim or towards satisfaction of a judgment against that person, or for the payment of personal injury protection bene-

fits as provided in section 7 and section 10 of this act, the cancellation or suspension shall not be removed, nor the license, privileges, or registration, restored, nor shall any new license or privilege be issued or granted to, or registration be permitted to be made by, that person until he has

(a) Repaid in full to the treasurer the amount so paid by him together with interest thereon at 8% per annum from the date of such payment; and

(b) Satisfied all requirements of said Motor Vehicle Security-Responsibility Law in respect of giving proof of ability to respond in damages for future accidents, provided, that the court in which such judgment was rendered may, upon 10 days' notice to the board, make an order permitting payment of the amount of such person's indebtedness to the fund, to be made in installments, or in the event the fund makes personal injury protection benefit payments, such person and the fund by agreement may provide for repayment to the fund to be made in installments, and in such case, such person's driver's license, or his driving privileges, or registration certificate, if the same have been suspended or revoked, or have expired, may be restored or renewed and shall remain in effect unless and until such person defaults in making any installment payment specified in such order. In the event of any such default, the director shall upon notice of such default suspend such person's driver's license, or driving privileges or registration certificate until the amount of his indebtedness to the fund has been paid in full.

2. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 176

AN ACT to amend the "Open Public Meetings Act," approved October 21, 1975 (P. L. 1975, c. 231).

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

1. Section 2 of P. L. 1975, c. 231 (C. 10:4–7) is amended to read as follows:

C. 10:4-7 Legislature's findings and declarations.

2. The Legislature finds and declares that the right of the public to be present at all meetings of public bodies, and to witness in full detail all phases of the deliberation, policy formulation, and decision making of public bodies, is vital to the enhancement and proper functioning of the democratic process; that secrecy in public affairs undermines the faith of the public in government and the public's effectiveness in fulfilling its role in a democratic society, and hereby declares it to be the public policy of this State to insure the right of its citizens to have adequate advance notice of and the right to attend all meetings of public bodies at which any business affecting the public is discussed or acted upon in any way except only in those circumstances where otherwise the public interest would be clearly endangered or the personal privacy or guaranteed rights of individuals would be clearly in danger of unwarranted invasion.

The Legislature further declares it to be the public policy of this State to insure that the aforesaid rights are implemented pursuant to the provisions of this act so that no confusion, misconstructions or misinterpretations may thwart the purposes hereof.

The Legislature, therefore, declares that it is the understanding and the intention of the Legislature that in order to be covered by the provisions of this act a public body must be organized by law and be collectively empowered as a multi-member voting body to spend public funds or affect persons' rights; that, therefore, informal or purely advisory bodies with no effective authority are not covered, nor are groupings composed of a public official with subordinates or advisors, who are not empowered to act by vote such as a mayor or the Governor meeting with department heads or cabinet members, that specific exemptions are provided for the Judiciary, parole bodies, the State Commission of Investigation, the Apportionment Commission and political party organizations; that to be covered by the provisions of this act a meeting must be open to all the public body's members, and the members present must intend to discuss or act on the public body's business; and therefore, typical partisan caucus meetings and chance encounters of members of public bodies are neither covered by the provisions of this act, nor are they intended to be so covered.

2. Section 3 of P. L. 1975, c. 231 (C. 10:4–8) is amended to read as follows:

C. 10:4-8 Definitions.

3. As used in this act:

a. "Public body" means a commission, authority, board, council, committee or any other group of two or more persons organized under the laws of this State, and collectively empowered as a voting body to perform a public governmental function affecting the rights, duties, obligations, privileges, benefits, or other legal relations of any person, or collectively authorized to spend public funds including the Legislature, but does not mean or include the judicial branch of the government, any grand or petit jury, any parole board or any agency or body acting in a parole capacity, the State Commission of Investigation, the Apportionment Commission established under Article IV, Section III, of the Constitution, or any political party committee organized under Title 19 of the Revised Statutes.

b. "Meeting" means and includes any gathering whether corporeal or by means of communication equipment, which is attended by, or open to, all of the members of a public body, held with the intent, on the part of the members of the body present, to discuss or act as a unit upon the specific public business of that body. Meeting does not mean or include any such gathering (1) attended by less than an effective majority of the members of a public body, or (2) attended by or open to all the members of three or more similar public bodies at a convention or similar gathering.

c. "Public business" means and includes all matters which relate in any way, directly or indirectly, to the performance of the public body's functions or the conduct of its business.

d. "Adequate notice" means written advance notice of at least 48 hours, giving the time, date, location and, to the extent known, the agenda of any regular, special or rescheduled meeting, which notice shall accurately state whether formal action may or may not be taken and which shall be (1) prominently posted in at least one public place reserved for such or similar announcements, (2) mailed, telephoned, telegrammed, or hand delivered to at least two newspapers which newspapers shall be designated by the public body to receive such notices because they have the greatest likelihood of informing the public within the area of jurisdiction of the public body of such meetings, one of which shall be the official newspaper, where any such has been designated by the public body or if the public body has failed to so designate, where any has been designated by the governing body of the political subdivision whose geographic boundaries are coextensive with that of the public body

and (3) filed with the clerk of the municipality when the public body's geographic boundaries are coextensive with that of a single municipality, with the clerk of the county when the public body's geographic boundaries are coextensive with that of a single county, and with the Secretary of State if the public body has Statewide jurisdiction. For any other public body the filing shall be with the clerk or chief administrative officer of such other public body and each municipal or county clerk of each municipality or county encompassed within the jurisdiction of such public body. Where annual notice or revisions thereof in compliance with section 13 of this act set forth the location of any meeting, no further notice shall be required for such meeting.

3. This act shall take effect immediately and shall be retroactive to January 1, 1981.

Approved June 19, 1981.

CHAPTER 177

AN ACT concerning the vesting of retirement benefits in State-administered retirement systems and revising certain provisions of the statutory law.

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

1. N. J. S. 18A:66–36 is amended to read as follows:

Teachers' Pension and Annuity Fund.

18A:66–36. Should a member of the Teachers' Pension and Annuity Fund, after having completed 10 years of service, be separated voluntarily or involuntarily from the service, before reaching service retirement age, and not by removal for conduct unbecoming a teacher or other just cause under the provisions of sections 18A:28–4 to 18A:28–5 and 18A:28–9 to 18A:28–13 inclusive, such person may elect to receive, in lieu of the payment provided in section 18A:66–34:

a. The payments provided for in section 18A:66–37, if he so qualified under said section; or

b. A deferred retirement allowance beginning at age 60, which shall be made up of an annuity derived from the member's accumu-

lated deductions at the time of his severance from the service, and a pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 1/70 of his final compensation for each year of service credited as Class A service and 1/60 of his final compensation for each year of service credited as class B service, calculated in accordance with section 18A:66–44, with optional privileges provided for in section 18A:66–47 if he exercises such optional privilege at least 30 days before his attainment of the normal retirement age; provided, that such election is communicated by such member to the retirement system in writing stating at what time subsequent to the execution and filing thereof he desires to be retired; and provided, further, that such member may later elect: (1) to receive the payments provided for in section 18A:66–37, if he had qualified under that section at the time of leaving service, except that in order to avail himself of the optional privileges pursuant to section 18A:66–47, he must exercise such optional privilege at least 30 days before the effective date of his retirement; or (2) to withdraw his accumulated deductions with interest as provided in section 18A:66–34. If such member shall die before attaining service retirement age, then his accumulated deductions, plus regular interest after January 1, 1956, shall be paid in accordance with section 18A:66–38, and, in addition if such member shall die after attaining service retirement age and has not withdrawn his accumulated deductions, an amount equal to 3/16 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service shall be paid to such member's beneficiary.

Any member who, having elected to receive a deferred retirement allowance, again becomes an employee covered by the retirement system while under the age of 60, shall thereupon be reenrolled. If he had discontinued his service for more than 2 consecutive years, subsequent contributions shall be at a rate applicable to the age resulting from the subtraction of his years of creditable service at the time of his last discontinuance of contributing membership from his age at the time of his return to service. He shall be credited with all service as a member standing to his credit at the time of his election to receive a deferred retirement allowance.

2. Section 11 of P. L. 1973, c. 140 (C. 43:6A–11) is amended to read as follows:

C. 43:6A-11 Judicial Retirement System.

11. Should any member resign, or fail of reappointment who shall have served at least 5 years successively as a judge of the

several courts and at least 10 years in the aggregate, including such services as a judge or in office, position, or employment of this State or a county, municipality, board of education, or public agency of this State, before reaching age 60, and not by removal for cause on charges of misconduct or delinquency, he may elect to receive a deferred pension, beginning on the first day of the month following his attainment of age 60 and the filing of an application therefor, in the amount of 2% of his final salary multiplied by his number of years of service up to 25 plus 1% of his final salary multiplied by his number of years of service over 25, provided that such inactive member may elect to receive payments provided under section 10 if he had qualified under that section at the time of leaving service, except that in order to avail himself of the option, he must exercise such option at least 1 month before the effective date of his retirement. If such inactive member shall die after attaining age 60 but before filing an application for retirement benefits pursuant to this section or section 10 and for which benefits he would have qualified, or in the event of death after retirement, there shall be paid to such member's beneficiary the death benefits prescribed by section 19.

No beneficiary shall be eligible for a pension if the member who elected to receive a deferred pension shall die before attaining age 60.

Any member who, having elected to receive a deferred pension, again becomes a member while under the age of 60, shall thereupon be reenrolled. He shall be credited with all service as a member standing to his credit at the time of his election to receive a deferred pension.

3. Section 1 of P. L. 1941, c. 220 (C. 43:7–7) is amended to read as follows:

C. 43:7-7 Prison Officers' Pension Fund.

1. a. Hereafter, any such prison officer, as hereinafter set forth, who shall have served in the employ of the State of New Jersey continuously, or in the aggregate, for a period of 20 years, and who shall have attained the age of 55 years, shall, upon his own application, be retired on one-half pay, or 2% of his average final compensation multiplied by the number of years of his creditable service up to 30 plus 1% of his average final compensation multiplied by the number of years of creditable service in excess of 30 years rendered prior to his reaching age 65, whichever is greater.

b. A prison officer who is an active member of the pension fund and who has established credit in the pension fund for 10 or more years of service, but shall not have attained the age of 55 years, may, on his own application, be retired and apply for a deferred pension. Upon attainment of 55 years of age, he shall be entitled to a pension in the amount of 2% of his average final compensation multiplied by the number of years of his creditable service up to 30 plus 1% of his average final compensation multiplied by the number of years of creditable service in excess of 30 years.

4. Section 38 of P. L. 1954, c. 84 (C. 43:15A–38) is amended to read as follows:

C. 43:15A-38 Public Employees' Retirement System.

38. Should a member of the Public Employees' Retirement System, after having completed 10 years of service, be separated voluntarily or involuntarily from the service, before reaching service retirement age, and not by removal for cause on charges of misconduct or delinquency, such person may elect to receive:

(a) The payments provided for in section 41b. of this act, if he so qualifies under said section, or;

(b) A deferred retirement allowance, beginning at the retirement age, which shall be made up of an annuity derived from the accumulated deductions standing to the credit of the individual member's account in the annuity savings fund at the time of his severance from the service together with regular interest, and a pension which when added to the annuity will produce a total retirement allowance of 1/70 of his final compensation for each year of service credited as Class A service and 1/60 of his final compensation for each year of service credited as Class B service, calculated in accordance with section 48 of this act, with optional privileges provided for in section 50 of this act if he exercises such optional privilege at least 30 days before his attainment of the normal retirement age; provided, that such election is communicated by such member to the retirement system in writing stating at what time subsequent to the execution and filing thereof he desires to be retired; and provided further, that such member, as referred to in this subsection may later elect: (1) to receive the payments provided for in section 41b. of this act, if he had qualified under that section at the time of leaving service, except that in order to avail himself of the optional privileges pursuant to section 50, he must exercise such optional privilege at least 30 days before the effective date of his retirement or; (2) to withdraw his

accumulated deductions with interest as provided in section 41a. If such member shall die before attaining service retirement age then his accumulated deductions, plus regular interest, shall be paid in accordance with section 41c.; or if such member shall die after attaining service retirement age and has not withdrawn his accumulated deductions, an amount equal to 3/16 of the compensation received by the member in the last year of creditable service shall be paid to such person, if living, as he shall have nominated by written designation duly executed and filed with the retirement system; otherwise to the executor or administrator of the member's estate.

5. Section 17 of P. L. 1964, c. 241 (C. 43:16A–11.2) is amended to read as follows:

C. 43:16A-11.2 Police and Firemen's Retirement System.

17. Should a member, after having established 10 years of creditable service, be separated voluntarily or involuntarily from the service, before reaching age 55, and not by removal for cause on charges of misconduct or delinquency, such person may elect to receive the payments provided for in section 11 of P. L. 1944, c. 255 or section 16 of P. L. 1964, c. 241, or a deferred retirement allowance, beginning on the first day of the month following his attainment of age 55 and the filing of an application therefor, which shall consist of:

(1) An annuity which shall be the actuarial equivalent of his aggregate contributions at the time of his severance from the service and

(2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 2% of his average final compensation multiplied by the number of years of his creditable service up to 30 plus 1% of his average final compensation multiplied by the number of years of creditable service over 30, provided that such inactive member may elect to receive payments provided under section 11 of P. L. 1944, c. 255 or section 16 of P. L. 1964, c. 241 if he had qualified under that section at the time of leaving service, except that in order to avail himself of the option, he must exercise such option at least 30 days before the effective date of his retirement. If such inactive member shall die before attaining age 55, his aggregate contributions shall be paid in accordance with section 11 of P. L. 1944, c. 255 and, in addition if such inactive member shall die after attaining age 55 but before filing an application for retirement benefits

pursuant to this section or section 16 of P. L. 1964, c. 241 and has not withdrawn his aggregate contributions, or in the event of death after retirement, an amount equal to one-half of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service shall be paid to such member's beneficiary.

Any member who, having elected to receive a deferred retirement allowance, again becomes an employee covered by the retirement system while under the age of 55, shall thereupon be reenrolled. If he had discontinued his service for more than 2 consecutive years, subsequent contributions shall be at his former rate increased for the years of his inactive membership. He shall be credited with all service as a member standing to his credit at the time of his election to receive a deferred retirement allowance.

6. Section 28 of P. L. 1965, c. 89 (C. 53:5A–28) is amended to read as follows:

C. 53:5A-28 State Police Retirement System.

28. a. Should a member, after having established 10 years of creditable service as a full time commissioned officer, noncommissioned officer or trooper of the Division of State Police, be separated voluntarily or involuntarily from the service, before reaching age 55, and not by removal for cause on charges of misconduct or delinquency, such person may elect to receive the payments provided for in section 26 or 27 or a deferred retirement allowance, beginning on the first day of the month following his attainment of age 55 and the filing of an application therefor, which shall consist of:

(1) An annuity which shall be the actuarial equivalent of his aggregate contributions at the time of his severance from the service, and

(2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of 2% of his final compensation multiplied by his number of years of creditable service up to 25 plus 1% of his final compensation multiplied by his number of years of creditable service over 25, provided that such inactive member may elect to receive payments provided under section 26 or 27 if he had qualified under that latter section at the time of leaving service, except that in order to avail himself of the option, he must exercise such option at least 1 month before the effective date of his retirement. If such inactive member shall die before attaining age 55, his aggregate contributions shall be paid in accordance with section 26 and, in addition if such inactive

member shall die after attaining age 55 but before filing an application for retirement benefits pursuant to this section or section 27 and for which benefits he would have qualified and has not withdrawn his aggregate contributions, or in the event of death after retirement, an amount equal to one-half of the final compensation received by the member shall be paid to such member's beneficiary.

b. (Deleted by amendment.)

c. Any member who, having elected to receive a deferred retirement allowance, again becomes an employee covered by the retirement system while under the age of 55, shall thereupon be reenrolled. He shall be credited with all service as a member standing to his credit at the time of his election to receive a deferred retirement allowance.

7. (New section) Any saving realized by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund, the Police and Firemen's Retirement System, the Prison Officers' Pension Fund, the Judicial Retirement System, and the State Police Retirement System as a result of any future increase in "regular interest" as determined annually by the State Treasurer shall be applied by the actuary towards meeting the cost of the additional liability created by this act.

8. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 178

AN ACT to amend "An act authorizing counties and certain municipalities of this State to adopt ordinances or resolutions establishing offices of consumer affairs and granting certain powers to them, validating certain ordinances or resolution adopted or actions taken heretofore and supplementing Title 40 of the Revised Statutes," approved March 3, 1976 (P. L. 1975, c. 376; C. 40:23–6.47 et seq.) and supplementing P. L. 1960, c. 39 (C. 56:8–1 et seq.).

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

C. 56:8-14.1 Office of consumer affairs entitled to penalties, fines or fees.

1. (New section) In any action in a court of appropriate jurisdiction initiated by the director of any certified county or municipal office of consumer affairs, the office of consumer affairs shall be entitled, if successful in the action, to such penalties, fines or fees as may be authorized pursuant to chapter 8 of Title 56 of the Revised Statutes and awarded by the court, and to the reasonable costs of any such action, including investigative and legal costs, as may be filed with and approved by the court. Such costs shall be in addition to the taxed costs authorized in successful proceedings under the Rules Governing the Courts of the State of New Jersey.

All moneys collected pursuant to this section shall be paid to the officer lawfully charged with the custody of the general funds of the county or municipality.

2. Section 1 of P. L. 1975, c. 376 (C. 40:23–6.47) is amended to read as follows:

C. 40:23-6.47 Office of consumer affairs; establishment; administration; officers and employees.

1. A county, by resolution or ordinance, as the case may be, or a municipality, by ordinance, may create and establish an office of consumer affairs to be administered by a county or municipal director of consumer affairs who shall be appointed by the governing body thereof. In addition, the governing body may provide for the employment of such other officers and employees as may be necessary or desirable for the proper conduct of the affairs of the office. The qualifications of the director and other officers and employees shall be established by the Attorney General.

3. (New section) All acts and things done or authorized by any county or municipality within the powers granted by this amendatory and supplementary act prior to its enactment are ratified and confirmed. Where any office of consumer affairs has heretofore been established in substantial conformity with the provisions of this act under and by virtue of a municipal ordinance which may be invalid by reason of the lack of power of the municipality to pass such ordinance, the ordinance and all acts and proceedings thereunder are validated and confirmed, including any proceeding initiated within 90 days of the effective date of this act to compel compliance with or prevent the violation of the ordinance; provided, however, that nothing in this section shall validate or authorize

any act or thing which is expressly prohibited by the provisions of this act, or of any other statute of this State.

4. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 179

AN ACT to amend "An act to provide for the coverage of certain persons holding office, position or employment in the service of the State and of any county, municipality or school district and of any public department, board, body, commission, institution, agency, instrumentality or authority of, or in, the State and of, or in, any county, municipality, or school district in the State under the Old Age and Survivors' Insurance provisions of Title II of the Federal Social Security Act, as amended," approved June 20, 1951 (P. L. 1951, c. 253), and repealing section 6 thereof.

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

1. Section 5 of P. L. 1951, c. 253 (C. 43:22–5) is amended to read as follows:

C. 43:22-5 Coverage under Title II of Social Security Act.

5. (a) Each employer other than the State coming within the provisions of this act is hereby authorized to submit for approval by the State agency a plan for extending the benefits of Title II of the Social Security Act, in conformity with applicable provisions of such act, to employees of such employer. Each such plan and any amendment thereof shall be approved by the State agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the State agency, except that no such plan shall be approved unless:

(1) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under section 3;

(2) It provides that all services which constitute employment as defined in section 2 and are performed in the employ of such employer by employees thereof, shall be covered by the plan;

(3) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (1) of subsection (c) and by subsection (d) are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(4) It provides for such methods of administration of the plan by such employer as are found by the State agency to be necessary for the proper and efficient administration of the plan;

(5) It provides that such employer will make such reports and transmittals, in such form and containing such information, as the State agency may from time to time require, and comply with such provisions as the State agency or the Secretary of Health and Human Services may from time to time find necessary to assure the correctness and verification of such reports; and

(6) It authorizes the State agency to terminate the plan in its entirety in the discretion of the State agency, if it finds that there has been a failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the State agency and may be consistent with the provisions of the Social Security Act.

(b) The State agency shall not finally refuse to approve a plan submitted by any such employer under subsection (a), and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the county or municipality affected thereby.

(c) (1) Each such employer as to which a plan has been approved under this section shall pay into a contribution fund administered by the State Treasurer, with respect to wages (as defined in section 2 of this act), at such time or times as the State agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the State agency under section 3.

(2) Each such employer required to make payments under paragraph (1) of this subsection is authorized, in consideration of the employee's retention in, or entry upon, employment after enactment of this act, to impose upon each of its employees, as to services which are covered by an approved plan, a contribution with respect to his wages (as defined in section 2 of this act), not exceeding the amount of employee tax which would be imposed by the Federal Insurance Contributions Act if such services con-

stituted employment within the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. Contributions so collected shall be paid into a contribution fund administered by the State Treasurer in partial discharge of the liability of such employer under paragraph (1) of this subsection. Failure to deduct such contribution shall not relieve the employee or employer of liability therefor.

(d) Delinquent payments due under paragraph (1) of subsection (c), as established by the regulations of the State agency or the Secretary of Health and Human Services, shall be subject to an interest penalty to be computed and paid by the employer in making his monthly or more frequent transmittal of contributions, and may, with interest be recovered by action in a court of competent jurisdiction against the employer liable therefor or may, at the request of the State agency, be deducted from any other moneys payable to such subdivision by any department or agency of the State. The rate of interest shall be determined annually by the State Treasurer after consultation with the Directors of the Divisions of Investment and Pensions and such rate of interest shall be equal to the rate charged to the State agency for delinquent payments.

Repealer.

2. Section 6 of P. L. 1951, c. 253 (C. 43:22–6) is repealed.

3. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 180

AN ACT concerning administrators' bonds and amending N. J. S. 3A:7–4.

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

1. N. J. S. 3A:7–4 is amended to read as follows:

Bond of administrator; conditions.

3A:7–4. The bond of an administrator of the estate of a person dying intestate shall be conditioned substantially as follows:

a. If required by the court or if an exemption is to be set off as required in chapter 8 of this Title, to make a true and perfect inventory of the real and personal property of the decedent which has or shall come to his hands, possession or knowledge or into the hands of any other person for him, and to cause to be made an appraisement of the real and personal property and to file the inventory and appraisement in the office of the clerk of the Superior Court or of the surrogate of the proper county, as the case may be, within the time so required;

b. To administer well and truly all the real and personal property of the decedent which may come into his hands or possession or into the hands or possession of any other person for him;

c. To make a just and true account of his administration and, if required by court, to settle his account therein within the time so required;

d. To deliver and pay to the distributees entitled thereto by law the surplus property of the decedent as may remain pursuant to the account; and

e. To deliver his letters of administration to the proper court, when required so to do, if a will of the decedent is found and exhibited to it and by it admitted to probate.

2. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 181

AN ACT concerning the dismissal and reduction of compensation of persons under tenure in schools and institutions of higher education and amending N. J. S. 18A:6–18.

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

1. N. J. S. 18A:6–18 is amended to read as follows:

Grounds for dismissal, salary reduction of tenured teachers; hearing procedure.

18A:6–18. No professor, associate professor, assistant professor, instructor, supervisor, registrar, teacher or other persons employed in a teaching capacity, in any State college, county college or industrial school who is under tenure during good behavior and

efficiency shall be dismissed or subject to reduction of salary, except for inefficiency, incapacity, conduct unbecoming a teacher or other just cause. Written charge of the cause or causes preferred against an individual shall be signed by the person or persons making the same and filed with the board of trustees of said college or school. Upon determination that the matter is a contested case, the board shall assign the matter for hearing and initial decision either to a subcommittee of three of its members or to the Office of Administrative Law. A final decision shall be rendered by the full board of trustees. The person charged may be represented by counsel at all times and have compulsory process to compel the attendance of witnesses to testify therein, as provided by law. Appeals from a decision of the board of trustees shall be made on the record to the Chancellor of Higher Education. Contested case hearings shall be conducted under rules and regulations established pursuant to "The Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.) and P. L. 1978, c. 67 (C. 52:14F–1 et seq.).

2. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 182

AN ACT to amend the "State Lottery Law," approved February 16, 1970 (P. L. 1970, c. 13).

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

1. Section 7 of P. L. 1970, c. 13 (C. 5:9–7) is amended to read as follows:

C. 5:9-7 Powers and duties of commission.

7. The commission shall have the power, and it shall be its duty:

a. After full and thorough study of the report and recommendations of the State Lottery Planning Commission established pursuant to Joint Resolution Number 11, approved November 20, 1969, and such other pertinent information as may be available, to promulgate such rules and regulations governing the establishment and operation of a State lottery as it deems necessary and desirable in order that the mandate of the people expressed in their approval of

the amendment to Article IV, Section VII, paragraph 2, of the Constitution in the general election of November, 1969, may be fully implemented, in order that such a lottery shall be initiated at the earliest feasible and practicable time, and in order that such lottery shall produce the maximum amount of net revenues for State institutions and State aid for education consonant with the dignity of the State and the general welfare of the people. Such rules and regulations may include, but shall not be limited to, the following:

(1) The type of lottery to be conducted.

(2) The price, or prices, of tickets or shares in the lottery.

(3) The number and sizes of the prizes on the winning tickets or shares.

(4) The manner of selecting the winning tickets or shares.

(5) The manner of payment of prizes to the holders of winning tickets or shares, including, subject to the approval of the State Treasurer, provision for payment of prizes not to exceed $599.00 by agents licensed hereunder out of moneys received from sales of tickets or shares.

(6) The frequency of the drawings or selections of winning tickets or shares, without limitation.

(7) Without limit as to number, the type or types of locations at which tickets or shares may be sold.

(8) The method to be used in selling tickets or shares.

(9) The licensing of agents to sell tickets or shares, provided that no person under the age of 21 shall be licensed as an agent.

(10) The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

(11) The apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among (a) the payment of prizes to the holders of winning tickets or shares, (b) the payment of costs incurred in the operation and administration of the lottery, including the expenses of the division and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials, (c) for the repayment of the money appropriated to the State Lottery Fund pursuant to section 23 of this act, and (d) for transfer to the general fund for State institutions and State aid for education; provided, however, that no less than 30% of the total revenues accruing from the sale of lottery tickets or shares shall be dedicated to (d), above.

(12) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.

Notwithstanding the provisions of any other law to the contrary, no rule or regulation establishing a lottery game shall be considered an "administrative rule" or "rule" pursuant to P. L. 1968, c. 410 (C. 52:14B–1 et seq.).

b. To amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable.

c. To advise and make recommendations to the director regarding the operation and administration of the lottery.

d. To report monthly to the Governor and the Legislature the total lottery revenues, prize disbursements and other expenses for the preceding month, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the Governor and the Legislature, and including such recommendations for changes in this act as it deems necessary or desirable.

e. To report immediately to the Governor and the Legislature any matters which shall require immediate changes in the laws of this State in order to prevent abuses and evasions of this act or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the lottery.

f. To carry on a continuous study and investigation of the lottery throughout the State (1) for the purpose of ascertaining any defects in this act or in the rules and regulations issued thereunder by reason whereof any abuses in the administration and operation of the lottery or any evasion of this act or the rules and regulations may arise or be practiced, (2) for the purpose of formulating recommendations for changes in this act and the rules and regulations promulgated thereunder to prevent such abuses and evasions, (3) to guard against the use of this act and the rules and regulations issued thereunder as a cloak for the carrying on of organized gambling and crime, and (4) to insure that said law and rules and regulations shall be in such form and be so administered as to serve the true purposes of this act.

g. To make a continuous study and investigation of (1) the operation and the administration of similar laws which may be in effect in other states or countries, (2) any literature on the subject

which from time to time may be published or available, (3) any Federal laws which may affect the operation of the lottery, and (4) the reaction of New Jersey citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of this act.

2. This act shall take effect immediately.

Approved June 19, 1981.

CHAPTER 183

AN ACT concerning the taxation of certain insurance companies, amending P. L. 1945, c. 132, supplementing Title 54 of the Revised Statutes and repealing P. L. 1952, c. 227 and P. L. 1950, c. 101.

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

1. Section 2 of P. L. 1945, c. 132 (C. 54:18A–2) is amended to read as follows:

C. 54:18A-2 Amount of tax, other than life insurance companies.

2. (a) The tax specified in subsection (a) of section 1 of this act, except as to life insurance companies and except as to marine insurance as described by chapter 16 of Title 54 of the Revised Statutes, shall, except as hereinafter provided, be 2% upon the taxable premiums collected by such company during the year ending December 31 next preceding on all business of the company in this State, less the amount of taxes on its property, exclusive of taxes on real estate and of taxes payable pursuant to this section, paid in this State by the company pursuant to any law of this State during the said year. Any taxes paid to the treasurer of any firemen's relief association of this State pursuant to R. S. 54:18–1 shall be considered a part of the tax payable under this act.

(b) Taxable premiums, collected after December 31, 1965 by an insurance company subject to the provisions of subsection (a) hereof under group accident and health insurance policies on residents of this State, shall be subject to tax only at the following rates:

As to taxes payable in 1967	1¾%
As to taxes payable in 1968	1½%
As to taxes payable in 1969	1¼%
As to taxes payable in 1970 and thereafter	1%

2. Section 3 of P. L. 1945, c. 132 (C. 54:18A–3) is amended to read as follows:

C. 54:18A-3 Amount of tax; life insurance companies; deductions.

Amount of tax, life insurance companies; deductions.

(a) The tax specified in subsection (a) of section 1 of this act as to life insurance companies, shall, except as hereinafter provided, be 2% upon the taxable premiums collected by the company during the year ending December 31 next preceding under all policies or contracts of insurance on residents of this State, less the amount of taxes on its property, exclusive of taxes on real estate and of taxes payable pursuant to this section, paid in this State by the company pursuant to any law of this State during the said year.

(b) Taxable premiums, collected after December 31, 1965 by an insurance company subject to the provisions of subsection (a) hereof under group accident and health insurance policies on residents of this State, shall be subject to tax only at the following rates:

As to taxes payable in 1967	1¾%
As to taxes payable in 1968	1½%
As to taxes payable in 1969	1¼%
As to taxes payable in 1970 and thereafter	1%

C. 54:18A-1a Equivalent of franchise tax to municipalities and counties.

3. (New section) To ensure that no county or municipality will experience a loss of revenue as a result of the repeal of the franchise tax on domestic insurance companies, the State Treasurer, upon warrant of the State Comptroller, shall, on or before August 1, 1982 and on or before August 1 annually thereafter, pay to the collector of the municipality and to the county treasurer of a county in which a domestic insurance company's principal office was situated on January 1, 1981, an amount determined by increasing the total amount of franchise taxes received by the municipality or county in the prior calendar year by the percentage rate of change of all taxes paid by all insurance companies pursuant to P. L. 1945, c. 132 (C. 54:18A–1 et seq.) for the current and the immediately preceding tax years.

The payments shall continue to be made so long as the principal office of the domestic insurance company remains at the location established on January 1, 1981. No liability for payment under this section shall arise by virtue of the relocation of the principal office of a domestic insurance company to another municipality, whether or not within the same county.

Repealer.

4. Sections 1 through 10 of P. L. 1950, c. 101 (C. 54:18A–12 through C. 54:18A–21) and P. L. 1952, c. 227 (C. 54:16A–1 et seq.) are repealed.

5. The repealer contained in section 4 of this act shall not affect the obligation, lien or duty to pay any taxes, interest or penalties which have accrued or may accrue by virtue of any assessment made or which may be made with respect to taxes levied for any taxable year prior to the effective date of this act, nor shall this act affect the legal authority to assess and collect taxes which may be or have been due or payable under the acts repealed, together with such interest and penalties as would have accrued thereon under any provision of law amended or repealed by this act; nor shall this act invalidate any assessments or affect any proceeding for the enforcement thereof.

6. This act shall take effect immediately and shall be applicable to taxes and prepayments due and payable in the year 1981 and in each year thereafter; provided, however, that the provisions of this act shall not apply to any franchise tax payment to a municipality or county otherwise due in 1981.

Approved June 19, 1981.

CHAPTER 184

AN ACT to amend and supplement the "Corporation Business Tax Act (1945)," approved April 13, 1945 (P. L. 1945, c. 162).

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

1. Section 15 of P. L. 1945, c. 162 (C. 54:10A–15) is amended to read as follows:

C. 54:10A-15 Manner of payment.

15. The tax imposed by this act shall be due and payable annually hereafter, commencing with the calendar year 1959, in the manner provided under subsection (a), (b) or (c) of this section, whichever shall be applicable.

(a) Every taxpayer shall annually pay a franchise tax, with respect to all or any part of each of its fiscal or calendar accounting years beginning after January 1, 1959, to be computed as herein provided, for such fiscal or calendar accounting year or part thereof, on a report which shall be filed on or before April 15 next succeeding the close of each such accounting year, or, if any such fiscal year ends after the last day of December and prior to July 1, on or before the fifteenth day of the fourth month after the close of such fiscal year, and the full amount of the tax hereunder shall be due and payable on or before the date prescribed herein for the filing of the return.

(b) Every taxpayer shall pay a like franchise tax with respect to all or any part of the period beginning January 1, 1959 and extending through any subsequent part of its first fiscal or calendar accounting year ending after said date. Such tax shall be computed as herein provided, for each and every fiscal or calendar accounting year or part thereof begun not earlier than July 2, 1957 and ending not later than December 31, 1959 on the basis of which a franchise tax has not accrued under this act prior to January 1, 1959. The tax imposed pursuant to this subsection shall be deemed a single tax for such period but shall be computed separately with respect to each such fiscal or calendar accounting year or part thereof on the basis of which a franchise tax has not previously accrued as aforesaid, on a report which shall be filed on or before April 15, next succeeding the close of each such accounting year, or, if any such fiscal year ends after the last day of December and prior to July 1, on or before the fifteenth day of the fourth month after the close of such fiscal year, and the full amount of the tax hereunder shall be due and payable on or before the date prescribed herein for the filing of the report.

(c) With respect to all or any part of each of its fiscal or calendar accounting years ending after June 30, 1967, every taxpayer shall annually pay a franchise tax on a report which shall be filed on or before the fifteenth day of the fourth month after the close of such fiscal or calendar accounting year, or part thereof, and the full amount of the tax hereunder shall be due and payable on or before the date prescribed herein for the filing of the return.

(d) With respect to its fiscal or calendar accounting years ending after February 29, 1968 and prior to March 1, 1969, every taxpayer shall pay as a partial payment of franchise tax in addition to the tax payable under subsection (c) of this section, an amount equal to one-quarter of the tax payable under said subsection (c). With respect to each of its fiscal or calendar accounting years ending after February 28, 1969, every taxpayer shall annually pay as a partial payment of franchise tax in addition to the tax payable under subsection (c) of this section, an amount equal to one-half of the tax payable under said subsection (c). In the calculation of the tax pertaining to each succeeding accounting period, due in accordance with subsection (c) hereof, every taxpayer shall be entitled to a credit in the amount of the tax paid under this subsection (d) as a partial payment and shall be entitled to the return of any amount so paid which shall be found in excess of the total amount payable in accordance with said subsection (c) and this subsection (d).

(e) With respect to its fiscal or calendar accounting years ending on or after June 30, 1974, every taxpayer shall annually pay as a partial payment of franchise tax in addition to the tax payable under subsection (c) of this section, an amount equal to 60% of the tax payable under said subsection (c). In the calculation of the tax pertaining to each succeeding accounting period, due in accordance with subsection (c) hereof, every taxpayer shall be entitled to a credit in the amount of the tax paid under this subsection (e) as a partial payment and shall be entitled to the return of any amount so paid which shall be found to be in excess of the total amount payable in accordance with said subsection (c) and this subsection (e).

(f) With respect to its fiscal or calendar accounting years ending on or after December 31, 1984 and thereafter, in addition to the tax payable under subsection (c) of this section, every taxpayer shall make installment payments of its franchise tax at the following times and in the following amounts of its estimated tax for its current fiscal or calendar accounting year:

(1) 25% thereof paid on or before the fifteenth day of the fourth month thereof;

(2) 25% thereof paid on or before the fifteenth day of the sixth month thereof;

(3) 25% thereof paid on or before the fifteenth day of the ninth month thereof; and

(4) The balance thereof paid on or before the fifteenth day of the twelfth month thereof.

In the calculation of the tax due in accordance with subsection (c) hereof, a taxpayer shall be entitled to a credit in the amount of the tax paid under this subsection as a partial payment and shall be entitled to the return of any amount so paid which is in excess of the total amount payable in accordance with subsection (c) and this subsection.

(g) For the purpose of this act, every taxpayer shall use the same calendar or fiscal year upon which it reports to the United States Treasury Department for Federal Income Tax purposes.

C. 54:10A-15.1 Installment payments of franchise tax; schedule; definitions.

2. (New section) With respect to its fiscal or calendar accounting years ending on or after December 31, 1980 and prior to December 31, 1984, every taxpayer shall make installment payments of its franchise tax in addition to the tax payable pursuant to subsection (c) of section 15 of P. L. 1945, c. 162 (C. 54:10A–15) in accordance with the following schedule:

Where Accounting Year Ended On or After	The % Payment Due On Or Before Fifteenth of Month of Current Accounting Year Is:				
	1st	4th	6th	9th	12th
12/31/80	....	60% PYT	....	AET 85%	Bal. ET
12/31/81	15% ET	45% PYT	....	AET 85%	Bal. ET
12/31/82	15% ET	45% PYT	....	AET 80%	Bal. ET
12/31/83	....	30% ET	AET 55%	AET 80%	Bal. ET

For purposes of the above schedule:

"AET" means the amount of payment necessary to provide in the taxpayer's current fiscal or calendar accounting year for cumulative payment of that percentage set forth in the schedule of the taxpayer's estimated tax liability for that year.

"Accounting year" means the fiscal or calendar accounting year on which the tax is computed.

"Current accounting year" means the fiscal or calendar accounting year during which the estimated tax payments or prepayments are due.

"ET" means a taxpayer's estimated tax liability for the taxpayer's current fiscal or calendar accounting year pursuant to subsection (c) of section 15 of P. L. 1945, c. 162 (C. 54:10A–15), and with respect to the payment due on or before the fifteenth day of the first month of the taxpayer's current fiscal or calendar account-

ing year ending on or after December 31, 1981 and on or after December 31, 1982, the estimated tax payment shall not be less than the last installment for the previous fiscal or calendar accounting year, but need not be more than 25% of the taxpayer's estimated tax liability for the previous fiscal or calendar accounting year.

"PYT" means a taxpayer's tax for the prior fiscal or calendar accounting year pursuant to subsection (c) of section 15 of P. L. 1945, c. 162 (C. 54:10A–15).

In the calculation of the tax due in accordance with subsection (c) of section 15 of P. L. 1945, c. 162 (C. 54:10A–15), a taxpayer shall be entitled to a credit in the amount of the installment payments made under the above schedule and shall be entitled to the return of any amount so paid which is in excess of the total amount payable in accordance with subsection (c) and the above schedule.

C. 54:10A-15.2 Installment payments with respect to fiscal or calendar years ending on or after December 31, 1980.

3. (New section) With respect to its fiscal or calendar accounting years ending on or after December 31, 1980 and thereafter, any taxpayer with a tax liability of less than $500.00 under subsection (c) of section 15 of P. L. 1945, c. 162 (C. 54:10A–15) shall not be required to make any installment payments other than an installment payment of 60%, and 50% with respect to accounting years ending on or after December 31, 1981, which is required to be paid at the time of the annual return.

C. 54:10A-15.3 Taxpayer in bankruptcy or receivership; estimation of tax; payments.

4. (New section) In the case of a taxpayer which is in bankruptcy, or receivership, or which has realized a nonrecurring extraordinary gain which would distort the amount of its installment payment, or which estimates that it will conduct its business at a loss in the current fiscal or calendar accounting year, the director, upon satisfactory proof, may require the taxpayer under oath, to submit details upon which it may estimate, subject to review by the director, its tax for the current fiscal or calendar accounting year, and make an installment payment in an amount based upon the percentage applicable to the installment payment.

C. 54:10A-15.4 Underpayment; amount added to tax; interest.

5. (New section) a. In case of any underpayment of an installment payment by a taxpayer, there shall be added to the tax for the fiscal or calendar accounting year an amount determined by applying the rate established in this section to the amount of the underpayment for the period of the underpayment.

b. For purposes of subsection a., the amount of underpayment shall be the excess of:

(1) The amount of the installment payment which would be required to be paid if all installment payments were equal to 90% of the tax shown on the return for the fiscal or calendar accounting year, or if no return was filed, 90% of the tax for that year, over

(2) The amount, if any, of the installment payment paid on or before the last date prescribed for payment.

c. For purposes of subsection a., the period of the underpayment shall run from the date the installment payment was required to be paid to whichever of the following dates is the earlier:

(1) The fifteenth day of the fourth month after the close of the fiscal or calendar accounting year.

(2) With respect to any portion of the underpayment, the date on which that portion is paid.

For purposes of this subsection, a payment of any installment payment shall be considered a payment of any previous underpayment only to the extent that payment exceeds the amount of the installment payment determined under subsection b. (1) for that installment payment.

d. Notwithstanding the provisions of the preceding subsections, the addition to the tax with respect to any underpayment of any installment payment shall not be imposed if the total amount of all installment payments made on or before the last date prescribed for the payment of that installment equals or exceeds the amount which would have been required to be paid on or before that date if the total amount of all installment payments were equal to 90% of the tax for the current fiscal or calendar accounting year computed by placing on an annualized basis the taxable entire net income and entire net worth:

(a) For the first 3 months of the current fiscal or calendar accounting year, in the case of the installment payment required to be paid in the fourth month,

(b) For the first 3 months or for the first 5 months of the current fiscal or calendar accounting year, in the case of the installment payment required to be paid in the sixth month,

(c) For the first 6 months or for the first 8 months of the current fiscal or calendar accounting year, in the case of the installment payment required to be paid in the ninth month,

(d) For the first 9 months or for the first 11 months of the current fiscal or calendar accounting year, in the case of the

installment payment required to be paid in the twelfth month, and

(e) For the last 3 months of the preceding taxable year, in the case of the installment payment required to be paid in the first month of the current fiscal or calendar accounting year.

e. Any taxpayer who shall fail to pay, or shall underpay by more than 10% of the amount due, any installment payment required pursuant to this act, shall pay, in addition to the tax, interest on the amount of underpayment at a per annum rate of 5% above the average predominant prime rate, as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses as of the first business day of the calendar quarter within which the payment was due.

6. Section 19 of P. L. 1945, c. 162 (C. 54:10A–19) is amended to read as follows:

C. 54:10A-19 Extension of time for filing returns; interest.

19. The commissioner may grant a reasonable extension of time for the filing of returns or the payment of tax or both, under such rules and regulations as he shall prescribe, which rules and regulations may require the filing of a tentative return and the payment of an estimated tax. If the time for filing the return shall be extended, the payment of the portion of the tax remaining to be paid, if any, shall be postponed to the date fixed by the extension of the time for the filing of the return, but in every such case the corporation shall pay, in addition to the unpaid portion of the tax, interest thereon at the rate of 1½% per month or fraction thereof, from the time when the return originally was required to be filed to the date of actual payment under the extension; provided, that if such unpaid portion of the tax is not paid within the time fixed under the extension, and if the amount paid at the time of the filing of the return was less than 90% of the amount due, the taxpayer shall be liable for a penalty of 5% per month or fraction thereof on the amount of underpayment which shall be in addition to the interest charges provided above.

7. This act shall take effect immediately and shall be applicable with respect to taxpayers whose accounting periods end on and after December 31, 1980.

Approved June 19, 1981.

CHAPTER 185

AN ACT to amend and supplement the "Law Against Discrimination," approved April 16, 1945 (P. L. 1945, c. 169).

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

1. Section 5 of P. L. 1945, c. 169 (C. 10:5–5) is amended to read as follows:

C. 10:5-5 Definitions.

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

a. "Person" includes one or more individuals, partnerships, associations, organizations, labor organizations, corporations, legal representatives, trustees, trustees in bankruptcy, receivers, and fiduciaries.

b. "Employment agency" includes any person undertaking to procure employees or opportunities for others to work.

c. "Labor organization" includes any organization which exists and is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning grievances, terms or conditions of employment, or of other mutual aid or protection in connection with employment.

d. "Unlawful employment practice" and "unlawful discrimination" includes only those unlawful practices and acts specified in section 11 of this act.

e. "Employer" includes all persons as defined in subsection a. of this section unless otherwise specifically exempt under another section of this act, and includes the State, any political or civil subdivision thereof, and all public officers, agencies, boards or bodies.

f. "Employee" does not include any individual employed by his parents, spouse or child, or in the domestic service of any person.

g. "Liability for service in the Armed Forces of the United States" means subject to being ordered as an individual or member of an organized unit into active service in the Armed Forces of the United States by reason of membership in the National Guard, naval militia or a reserve component of the Armed Forces of the United States, or subject to being inducted into such armed forces through a system of national selective service.

h. "Division" means the "Division on Civil Rights" created by this act.

i. "Attorney General" means the Attorney General of the State of New Jersey or his representative or designee.

j. "Commission" means the Commission on Civil Rights created by this act.

k. "Director" means the Director of the Division on Civil Rights.

l. "A place of public accommodation" shall include, but not be limited to: any tavern, roadhouse, hotel, motel, trailer camp, summer camp, day camp, or resort camp, whether for entertainment of transient guests or accommodation of those seeking health, recreation or rest; any producer, manufacturer, wholesaler, distributor, retail shop, store, establishment, or concession dealing with goods or services of any kind; any restaurant, eating house, or place where food is sold for consumption on the premises; any place maintained for the sale of ice cream, ice and fruit preparations or their derivatives, soda water or confections, or where any beverages of any kind are retailed for consumption on the premises; any garage, any public conveyance operated on land or water, or in the air, any stations and terminals thereof; any bathhouse, boardwalk, or seashore accommodation; any auditorium, meeting place, or hall; any theatre, motion-picture house, music hall, roof garden, skating rink, swimming pool, amusement and recreation park, fair, bowling alley, gymnasium, shooting gallery, billiard and pool parlor, or other place of amusement; any comfort station; any dispensary, clinic or hospital; any public library; any kindergarten, primary and secondary school, trade or business school, high school, academy, college and university, or any educational institution under the supervision of the State Board of Education, or the Commissioner of Education of the State of New Jersey. Nothing herein contained shall be construed to include or to apply to any institution, bona fide club, or place of accommodation, which is in its nature distinctly private; nor shall anything herein contained apply to any educational facility operated or maintained by a bona fide religious or sectarian institution, and the right of a natural parent or one in loco parentis to direct the education and upbringing of a child under his control is hereby affirmed; nor shall anything herein contained be construed to bar any private secondary or post-secondary school from using in good faith criteria other than race, creed, color, national origin or ancestry, in the admission of students.

m. "A publicly assisted housing accommodation" shall include all housing built with public funds or public assistance pursuant to P. L. 1949, c. 300, P. L. 1941, c. 213, P. L. 1944, c. 169, P. L. 1949, c. 303, P. L. 1938, c. 19, P. L. 1938, c. 20, P. L. 1946, c. 52, and P. L. 1949, c. 184, and all housing financed in whole or in part by a loan, whether or not secured by a mortgage, the repayment of which is guaranteed or insured by the Federal Government or any agency thereof.

n. The term "real property" includes real estate, lands, tenements and hereditaments, corporeal, and incorporeal, and leaseholds, provided, however, that, execpt as to publicly assisted housing accommodations, the provisions of this act shall not apply to the rental: (1) of a single apartment or flat in a two-family dwelling, the other occupancy unit of which is occupied by the owner as his residence or the household of his family at the time of such rental; or (2) of a room or rooms to another person or persons by the owner or occupant of a one-family dwelling occupied by him as his residence or the household of his family at the time of such rental. Nothing herein contained shall be construed to bar any religious or denominational institution or organization, or any organization operated for charitable or educational purposes, which is operated, supervised or controlled by or in connection with a religious organization, in the sale, lease or rental of real property, from limiting admission to or giving preference to persons of the same religion or denomination or from making such selection as is calculated by such organization to promote the religious principles for which it is established or maintained.

o. "Real estate broker" includes a person, firm or corporation who, for a fee, commission or other valuable consideration, or by reason of promise or reasonable expectation thereof, lists for sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale, exchange, purchase, or rental of real estate or an interest therein, or collects or offers or attempts to collect rent for the use of real estate, or solicits for prospective purchasers or assists or directs in the procuring of prospects or the negotiation or closing of any transaction which does or is contemplated to result in the sale, exchange, leasing, renting or auctioning of any real estate, or negotiates, or offers or attempts or agrees to negotiate a loan secured or to be secured by mortgage or other encumbrance upon or transfer of any real estate for others; or any person who, for pecuniary gain or expectation of pecuniary gain conducts a public or private competitive sale of lands or any interest in lands. In the

sale of lots, the term "real estate broker" shall also include any person, partnership, association or corporation employed by or on behalf of the owner or owners of lots or other parcels of real estate, at a stated salary, or upon a commission, or upon a salary and commission or otherwise, to sell such real estate, or any parts thereof, in lots or other parcels, and who shall sell or exchange, or offer or attempt or agree to negotiate the sale or exchange, of any such lot or parcel of real estate.

p. "Real estate salesman" includes any person who, for compensation, valuable consideration or commission, or other thing of value, or by reason of a promise or reasonable expectation thereof, is employed by and operates under the supervision of a licensed real estate broker to sell or offer to sell, buy or offer to buy or negotiate the purchase, sale or exchange of real estate, or offers or attempts to negotiate a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate, or to lease or rent, or offer to lease or rent any real estate for others, or to collect rents for the use of real estate, or to solicit for prospective purchasers or lessees of real estate, or who is employed by a licensed real estate broker to sell or offer to sell lots or other parcels of real estate, at a stated salary, or upon a commission, or upon a salary and commission, or otherwise to sell real estate, or any parts thereof, in lots or other parcels.

q. "Handicapped" means suffering from physical disability, infirmity, malformation or disfigurement which is caused by bodily injury, birth defect or illness including epilepsy, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment or physical reliance on a guide dog, wheelchair, or other remedial appliance or device, or from any mental, psychological or developmental disability resulting from anatomical, psychological, physiological or neurological conditions which prevents the normal exercise of any bodily or mental functions or is demonstrable, medically or psychologically, by accepted clinical or laboratory diagnostic techniques.

r. "Blind person" means any individual whose central visual acuity does not exceed 20/200 in the better eye with correcting lens or whose visual acuity is better than 20/200 if accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an an angle of no greater than 20 degrees.

s. "Guide dog" means a dog used to assist deaf persons or which fitted with a special harness so as to be suitable as an aid to the mobility of a blind person, and is used by a blind person who has satisfactorily completed a specific course of training in the use of such a dog, and has been trained by an organization generally recognized by agencies involved in the rehabilitation of the blind or deaf as reputable and competent to provide dogs with training of this type.

t. "Guide dog trainer" means any person who is employed by an organization generally recognized by agencies involved in the rehabilitation of the blind or deaf as reputable and competent to provide dogs with training, and who is actually involved in the training process.

u. "Housing accommodation" means any publicly assisted housing accommodation or any real property, or portion thereof, which is used or occupied, or is intended, arranged, or designed to be used or occupied, as the home, residence or sleeping place of one or more persons, but shall not include any single family residence the occupants of which rent, lease, or furnish for compensation not more than one room therein.

v. "Public facility" means any place of public accommodation and any street, highway, sidewalk, walkway, public building, and any other place or structure to which the general public is regularly, normally or customarily permitted or invited.

w. "Deaf person" means any person whose hearing is so severely impaired that he is unable to hear and understand normal conversational speech through the unaided ear alone, and who must depend primarily on supportive device or visual communication such as writing, lip reading, sign language, and gestures.

x. "Atypical hereditary cellular or blood trait" means sickle cell trait, hemoglobin C trait, thalassemia trait, Tay-Sachs trait, or cystic fibrosis trait.

y. "Sickle cell trait" means the condition wherein the major natural hemoglobin components present in the blood of the individual are hemoglobin A (normal) and hemoglobin S (sickle hemoglobin) as defined by standard chemical and physical analytic techniques, including electrophoresis; and the proportion of hemoglobin A is greater than the proportion of hemoglobin S or one natural parent of the individual is shown to have only normal hemoglobin components (hemoglobin A, hemoglobin A2, hemoglobin F) in the normal proportions by standard chemical and physical analytic tests.

z. "Hemoglobin C trait" means the condition wherein the major natural hemoglobin components present in the blood of the individual are hemoglobin A (normal) and hemoglobin C as defined by standard chemical and physical analytic techniques, including electrophoresis; and the proportion of hemoglobin A is greater than the proportion of hemoglobin C or one natural parent of the individual is shown to have only normal hemoglobin components (hemoglobin A, hemoglobin A2, hemoglobin F) in normal proportions by standard chemical and physical analytic tests.

aa. "Thalassemia trait" means the presence of the thalassemia gene which in combination with another similar gene results in the chronic hereditary disease Cooley's anemia.

bb. "Tay-Sachs trait" means the presence of the Tay-Sachs gene which in combination with another similar gene results in the chronic hereditary disease Tay-Sachs.

cc. "Cystic fibrosis trait" means the presence of the cystic fibrosis gene which in combination with another similar gene results in the chronic hereditary disease cystic fibrosis.

2. Section 11 of P. L. 1945, c. 169 (C. 10:5–12) is amended to read as follows:

C. 10:5-12 Unlawful employment practice or unlawful discrimination.

11. It shall be unlawful employment practice, or, as the case may be, an unlawful discrimination:

a. For an employer, because of the race, creed, color, national origin, ancestry, age, marital status, sex or atypical hereditary cellular or blood trait of any individual, or because of the liability for service in the Armed Forces of the United States or the nationality of any individual, to refuse to hire or employ or to bar or to discharge from employment such individual or to discriminate against such individual in compensation or in terms, conditions or privileges of employment; provided, however, it shall not be an unlawful employment practice to refuse to accept for employment an applicant who has received a notice of induction or orders to report for active duty in the armed forces; provided further that nothing herein contained shall be construed to bar an employer from refusing to accept for employment any person on the basis of sex in those certain circumstances where sex is a bona fide occupational qualification, reasonably necessary to the normal operation of the particular business or enterprise; provided further that it shall not be an unlawful employment practice for a club exclusively social or fraternal to use club membership as a uniform

qualification for employment, or for a religious association or organization to utilize religious affiliation as a uniform qualification in the employment of clergy, religious teachers or other employees engaged in the religious activities of the association or organization, or in following the tenets of its religion in establishing and utilizing criteria for employment of an employee; and provided further that an employer may restrict employment to citizens of the United States where such restriction is required by Federal law or is otherwise necessary to protect the national interest.

b. For a labor organization, because of the race, creed, color, national origin, ancestry, age, marital status or sex of any individual, or because of the liability for service in the Armed Forces of the United States or nationality of any individual, to exclude or to expel from its membership such individual or to discriminate in any way against any of its members, against any applicant for, or individual included in, any apprentice or other training program or against any employer or any individual employed by an employer; provided, however, that nothing herein contained shall be construed to bar a labor organization from excluding from its apprentice or other training programs any person on the basis of sex in those certain circumstances where sex is a bona fide occupational qualification reasonably necessary to the normal operation of the particular apprentice or other training program.

c. For any employer or employment agency to print or circulate or cause to be printed or circulated any statement, advertisement or publication, or to use any form of application for employment, or to make an inquiry in connection with prospective employment, which expresses, directly or indirectly, any limitation, specification or discrimination as to race, creed, color, national origin, ancestry, age, marital status or sex or liability of any applicant for employment for service in the Armed Forces of the United States, or any intent to make any such limitation, specification or discrimination, unless based upon a bona fide occupational qualification.

d. For any person to take reprisals against any person because he has opposed any practices or acts forbidden under this act or because he has filed a complaint, testified or assisted in any proceeding under this act.

e. For any person, whether an employer or an employee or not, to aid, abet, incite, compel or coerce the doing of any of the acts forbidden under this act, or to attempt to do so.

f. For any owner, lessee, proprietor, manager, superintendent, agent, or employee of any place of public accommodation directly or indirectly to refuse, withhold from or deny to any person any of the accommodations, advantages, facilities or privileges thereof, or to discriminate against any person in the furnishing thereof, or directly or indirectly to publish, circulate, issue, display, post or mail any written or printed communication, notice, or advertisement to the effect that any of the accommodations, advantages, facilities, or privileges of any such place will be refused, withheld from, or denied to any person on account of the race, creed, color, national origin, ancestry, marital status, sex or nationality of such person, or that the patronage or custom thereat of any person of any particular race, creed, color, national origin, ancestry, marital status, sex or nationality is unwelcome, objectionable or not acceptable, desired or solicited, and the production of any such written or printed communication, notice or advertisement, purporting to relate to any such place and to be made by any owner, lessee, proprietor, superintendent or manager thereof, shall be presumptive evidence in any action that the same was authorized by such person; provided, however, that nothing contained herein shall be construed to bar any place of public accommodation which is in its nature reasonably restricted exclusively to individuals of one sex, and which shall include but not be limited to any summer camp, day camp, or resort camp, bathhouse, dressing room, swimming pool, gymnasium, comfort station, dispensary, clinic or hospital, or school or educational institution which is restricted exclusively to individuals of one sex, from refusing, withholding from or denying to any individual of the opposite sex any of the accommodations, advantages, facilities or privileges thereof on the basis of sex; provided further, that the foregoing limitation shall not apply to any restaurant as defined in R. S. 33:1–1 or place where alcoholic beverages are served.

g. For the owner, lessee, sublessee, assignee or managing agent of, or other person having the right of ownership or possession of or the right to sell, rent, lease, assign, or sublease any real property or part or portion thereof, or any agent or employee of any of these:

(1) To refuse to sell, rent, lease, assign, or sublease or otherwise to deny to or withhold from any person or group of persons any real property or part or portion thereof because of the race, creed, color, national origin, ancestry, marital status, sex or nationality of such person or group of persons;

(2) To discriminate against any person or group of persons because of the race, creed, color, national origin, marital status or sex of such person or group of persons in the terms, conditions or privileges of the sale, rental or lease of any real property or part or portion thereof or in the furnishing of facilities or services in connection therewith; or

(3) To print, publish, circulate, issue, display, post or mail, or cause to be printed, published, circulated, issued, displayed, posted or mailed any statement, advertisement, publication or sign, or to use any form of application for the purchase, rental, lease, assignment or sublease of any real property or part or portion thereof, or to make any record or inquiry in connection with the prospective purchase, rental, lease, assignment, or sublease of any real property, or part or portion thereof which expresses, directly or indirectly, any limitation, specification or discrimination as to race, creed, color, national origin, ancestry, marital status, sex or nationality or any intent to make any such limitation, specification or discrimination, and the production of any such statement, advertisement, publicity, sign, form of application, record, or inquiry purporting to be made by any such person shall be presumptive evidence in any action that the same was authorized by such person; provided, however, that nothing contained in this subsection shall be construed to bar any person from refusing to sell, rent, lease, assign or sublease or from advertising or recording a qualification as to sex for any room, apartment, flat in a dwelling or residential facility which is planned exclusively for and occupied by individuals of one sex to any individual of the exclusively opposite sex on the basis of sex.

h. For any real estate broker, real estate salesman or employee or agent thereof:

(1) To refuse to sell, rent, assign, lease or sublease, or offer for sale, rental, lease, assignment, or sublease any real property or part or portion thereof to any person or group of persons or to refuse to negotiate for the sale, rental, lease, assignment, or sublease of any real property or part or portion thereof to any person or group of persons because of the race, creed, color, national origin, ancestry, marital status, sex or nationality of such person or group of persons, or to represent that any real property or portion thereof is not available for inspection, sale, rental, lease, assignment, or sublease when in fact it is so available, or otherwise to deny or withhold any real property or any part or portion of facilities thereof to or from any person or group of persons because of the race,

creed, color, national origin, ancestry, marital status, sex or nationality of such person or group of persons;

(2) To discriminate against any person because of his race, creed, color, national origin, ancestry, marital status or sex in the terms, conditions or privileges of the sale, rental, lease, assignment or sublease of any real property or part or portion thereof or in the furnishing of facilities or services in connection therewith; or

(3) To print, publish, circulate, issue, display, post, or mail, or cause to be printed, published, circulated, issued, displayed, posted or mailed any statement, advertisement, publication or sign, or to use any form of application for the purchase, rental, lease, assignment, or sublease of any real property or part or portion thereof or to make any record or inquiry in connection with the prospective purchase, rental, lease, assignment, or sublease of any real property or part or portion thereof which expresses, directly or indirectly, any limitation, specification or discrimination as to race, creed, color, national origin, ancestry, marital status, sex or nationality or any intent to make any such limitation, specification or discrimination, and the production of any such statement, advertisement, publicity, sign, form of application, record, or inquiry purporting to be made by any such person shall be presumptive evidence in any action that the same was authorized by such person; provided, however, that nothing contained in this subsection h., shall be construed to bar any person from refusing to sell, rent, lease, assign or sublease or from advertising or recording a qualification as to sex for any room, apartment, flat in a dwelling or residential facility which is planned exclusively for and occupied exclusively by individuals of one sex to any individual of the opposite sex on the basis of sex.

i. For any person, bank, banking organization, mortgage company, insurance company or other financial institution, lender or credit institution to whom application is made for any loan or extension of credit including but not limited to an application for financial assistance for the purchase, acquisition, construction, rehabilitation, repair or maintenance of any real property or part or portion thereof or any agent or employee thereof:

(1) To discriminate against any person or group of persons because of the race, creed, color, national origin, ancestry, marital status, sex or nationality of such person or group of persons or of the prospective occupants or tenants of such real property or part or portion thereof, in the granting, withholding, extending, modifying or renewing, or in the fixing of the rates, terms, con-

ditions or provisions of any such loan, extension of credit or financial assistance or in the extension of services in connection therewith; or

(2) To use any form of application for such loan, extension of credit or financial assistance or to make record or inquiry in connection with applications for any such loan, extension of credit or financial assistance which expresses, directly or indirectly, any limitation, specification or discrimination as to race, creed, color, national origin, ancestry, marital status, sex or nationality or any intent to make any such limitation, specification or discrimination; unless otherwise required by law or regulation to retain or use such information.

j. For any person whose activities are included within the scope of this act to refuse to post or display such notices concerning the rights or responsibilities of persons affected by this act as the Attorney General may by regulation require.

k. For any real estate broker, real estate salesman or employee or agent thereof or any other individual, corporation, partnership, or organization, for the purpose of inducing a transaction for the sale or rental of real property from which transaction such person or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, ancestry, marital status, sex or nationality of the owners or occupants in the block, neighborhood or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood or area in which the real property is located, including, but not limited to the lowering of property values, an increase in criminal or anti-social behavior, or a decline in the quality of schools or other facilities.

l. For any person to refuse to buy from, sell to, lease from or to, license, contract with, or trade with, provide goods, services or information to, or otherwise do business with any other person on the basis of the race, creed, color, national origin, ancestry, age, sex, marital status, liability for service in the Armed Forces of the United States, or nationality of such other person or of such other person's spouse, partners, members, stockholders, directors, officers, managers, superintendents, agents, employees, business associates, suppliers, or customers. This subsection shall not prohibit refusals or other actions (1) pertaining to employee-employer collective bargaining, labor disputes, or unfair labor practices, or

(2) made or taken in connection with a protest of unlawful discrimination or unlawful employment practices.

m. For any person to:

(1) Grant or accept any letter of credit or other document which evidences the transfer of funds or credit, or enter into any contract for the exchange of goods or services, where the letter of credit, contract, or other document contains any provisions requiring any person to discriminate against or to certify that he, she or it has not dealt with any other person on the basis of the race, creed, color, national origin, ancestry, age, sex, marital status, liability for service in the Armed Forces of the United States, or nationality of such other person or of such other person's spouse, partners, members, stockholders, directors, officers, managers, superintendents, agents, employees, business associates, suppliers, or customers.

(2) Refuse to grant or accept any letter of credit or other document which evidences the transfer of funds or credit, or refuse to enter into any contract for the exchange of goods or services, on the ground that it does not contain such a discriminatory provision or certification.

The provisions of this subsection shall not apply to any letter of credit, contract, or other document which contains any provision pertaining to employee-employer collective bargaining, a labor dispute or an unfair labor practice, or made in connection with the protest of unlawful discrimination or an unlawful employment practice, if the other provisions of such letter of credit, contract, or other document do not otherwise violate the provisions of this subsection.

n. For any person to aid, abet, incite, compel, coerce, or induce the doing of any act forbidden by subsections 11 l. and m. of this act, or to attempt, or to conspire to do so. Such prohibited conduct shall include, but not be limited to:

(1) Buying from, selling to, leasing from or to, licensing, contracting with, trading with, providing goods, services, or information to, or otherwise doing business with any person because that person does, or agrees or attempts to do, any such act or any act prohibited by this subsection n.; or

(2) Boycotting, commercially blacklisting or refusing to buy from, sell to, lease from or to, license, contract with, provide goods, services or information to, or otherwise do business with any person because that person has not done or refuses to do any such act or

any act prohibited by this subsection n.; provided, that, this subsection n. shall not prohibit refusals or other actions either pertaining to employee-employer collective bargaining, labor disputes, or unfair labor practices, or made or taken in connection with a protest of unlawful discrimination or unlawful employment practices.

3. This act shall take effect immediately.

Approved June 22, 1981.

CHAPTER 186

AN ACT concerning education in respect to food service management contracts and supplementing Title 18A of the New Jersey Statutes.

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

C. 18A:18A-42.1 Food service management contracts; renewal.

1. Every contract or agreement for the services of a food service management company heretofore or hereafter entered into between a board of education and a food service management company after public advertising for bids and bidding therefor may be renewed yearly for not more than 2 additional years without any further solicitation for bids or bidding upon a finding by the board of education that the services are being performed in an effective and efficient manner; however, if a board of education elects to renew an existing contract with a food service management company, the terms and conditions of the existing contract shall remain substantially unchanged and any increase in the contract cost of the food or services, or both, shall be no greater than 20% over the additional 2-year period.

2. This act shall take effect immediately.

Approved June 25, 1981.

CHAPTER 187

AN ACT to amend the "Criminal Justice Act of 1970," approved May 21, 1970 (P. L. 1970, c. 74).

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

1. Section 4 of P. L. 1970, c. 74 (C. 52:17B–100) is amended to read as follows:

C. 52:17B-100 Organization of division; employees in unclassified service.

4. a. The Attorney General shall organize the work of the division in such bureaus and other organizational units as he may determine to be necessary for efficient and effective operation and shall assign to the division such employees in the Department of Law and Public Safety as may be necessary to assist the director in the performance of his duties.

b. All employees of the division, except for secretarial and clerical personnel, shall be in the unclassified service of the civil service of the State. All unclassified employees of the division shall be deemed confidential employees for the purposes of the "New Jersey Employer-Employee Relations Act", P. L. 1941, c. 100 (C. 34:13A–1 et seq.).

2. This act shall take effect immediately.

Approved June 25, 1981.

CHAPTER 188

AN ACT concerning the short-term financing of capital projects by fire districts and supplementing chapter 14 of Title 40A of the New Jersey Statutes.

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

C. 40A:14-86.1 Bond anticipation notes.

1. The board of commissioners of a fire district, following the authorization by voters of the issuance of bonds pursuant to N. J. S

40A:14–86, may by resolution borrow money and issue negotiable notes in anticipation of the bond issue. Any note shall be designated a "bond anticipation note" and shall contain a recital that it is issued in anticipation of the issuance of bonds. Such notes may be issued for a period not to exceed 1 year, and may be renewed from time to time not to exceed 1 year; but all such notes, including renewals, shall mature and be paid not later than the third anniversary of the date of the original notes; provided, however, that no notes shall be renewed beyond the first anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued is paid and retired on or before the second anniversary date, and if the notes are renewed beyond the second anniversary date of the original notes, a like amount is paid or retired on or before the third anniversary date from funds other than the proceeds of obligations; except that the notes shall mature and be paid not later than the first day of the fifth month following the close of the third fiscal year next following the date of the original notes, provided that, in addition to amounts paid and retired pursuant to this section, an amount of such notes equal to not less than the first legally payable installment of the bonds in anticipation of which the notes are issued has been paid and retired not later than the end of the third fiscal year from funds other than the proceeds of obligations.

The period of usefulness as defined in N. J. S. 40A:2–22 of any purpose for which bonds are issued shall include the period during which notes issued in anticipation of such bonds are outstanding, including all renewals thereof.

Funds derived from the issuance of fire district bonds may be used to redeem notes issued in anticipation of the bond issue.

2. This act shall take effect immediately.

Approved June 25, 1981.

CHAPTER 189

AN ACT to amend "An act temporarily suspending the statutory maximum rate of interest limitations applicable to borrowings by counties, municipalities, school, and other districts, State agencies and other public authorities and agencies," approved July 3, 1969 (P. L. 1969, c. 137), as said title was amended by P. L. 1970, c. 49.

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

1. Section 1 of P. L. 1969, c. 137 (C. 31:1–7) is amended to read as follows:

C. 31:1-7 Suspension of maximum interest rate on public borrowings; extension until December 31, 1981.

1. Notwithstanding the provisions of any other law, statute or regulation applicable to or constituting any limitation on the maximum rate of interest per annum payable on bonds, notes or other obligations, or as to annual interest cost to maturity of money borrowed or received upon issuance of bonds, notes or other obligations, every county, municipality, school district, body corporate and politic, district or public authority, agency, commission or other public institution heretofore or hereafter created by the State, any county, or municipality or by one or more counties or municipalities, is hereby authorized and empowered for the period from the effective date of this act through December 31, 1981 to contract to pay interest on or an interest cost per annum for money borrowed and evidenced by bonds, notes or other obligations without limit as to the rate of interest per annum payable thereon or as to the annual interest cost to maturity of the money borrowed.

2. This act shall take effect immediately.

Approved June 25, 1981.

CHAPTER 190

Note: In approving the following act, the Governor deleted or reduced certain items, designated by*. See Statement appended following the text of the act.

AN ACT making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1982 and regulating the disbursement thereof.

ANTICIPATED RESOURCES FOR THE FISCAL YEAR 1981-82

GENERAL FUND

Undesignated fund balance, July 1, 1981	$108,008,640

Major Taxes

Sales	$1,285,000,000
Alcoholic beverage wholesale sales	70,000,000
Corporation business	865,000,000
Motor fuels	270,000,000
Motor vehicle fees	275,312,000
Cigarette	179,500,000
Transfer inheritance	132,000,000
Insurance premiums	119,000,000
Business personal property	58,000,000
Public utility	97,000,000
Alcoholic beverage	62,000,000
Realty transfer	18,000,000
Corporation business—Banks and financial institutions	24,000,000
Pari-mutuel	16,000,000
Motor fuel use	7,000,000
Savings institutions	2,000,000
Total—Major Taxes	$3,479,812,000

Miscellaneous Taxes, Fees, Revenues

Executive Branch—	
Department of Agriculture:	
Animal, plant disease and pest control fees	$93,290
Fertilizer inspection and other fees	143,700
Milk control licenses and fees	190,000
Department of Banking:	
Bank assessments	1,353,240
Examining and other fees	2,860,987
New Jersey Cemetery Board	81,400
Department of Community Affairs:	
Boarding home fees	150,000
Construction fees	1,207,600
Housing inspection fees	2,401,039
Local government services	117,600
Planned real estate development fees	130,000
Department of Education:	
Katzenbach School for the Deaf—Tuition	2,315,250
Licensing fees—Miscellaneous	140,800
Non-public schools textbook recoveries	120,000
State Board of Examiners fees	450,000
Department of Energy:	
Assessments—Cable TV	496,736
Assessments—Public Utility	8,803,470
Fees, fines and penalties	100,000
Department of Environmental Protection:	
Air pollution fees	400,000
Delaware and Raritan Canal water sales	1,260,000
Examination licensing program	39,100
Excess water diversion fees	220,400
Forest management sales	41,843
Hunters' and Anglers' License Fund	4,345,211
Marinas	445,000
Marine Lands Management—Delineation and title determination	857,000
Marine Lands Management—Miscellaneous revenue	20,000
Morris Canal Fund	48,000
New Jersey Pilot Commissioners	40,400
Parks management	2,040,000

New Jersey State Library

Pesticide registration fees	$90,000
Radiation protection	475,000
Round Valley and Spruce Run water sales	850,000
Shell fisheries	311,625
Solid waste management fees	638,000
Water pollution fees	30,000
Department of Health:	
Licenses, permits and fees	929,210
Department of Higher Education:	
Agricultural Experiment Station—Fees	10,000
Bond interest recoveries	360,472
Other student fees	710,858
School of Conservation	390,000
Thomas A. Edison College—Fees	309,000
Tuition—Regular	43,384,000
Miscellaneous	317,000
Department of Human Services:	
Adoption law fees	175,000
Patients' and residents' cost recoveries:	
Institutions for the retarded	44,000,000
Psychiatric hospitals	54,000,000
Soldiers' homes	3,925,219
Special residential services	7,000,000
Department of Insurance:	
Actuarial services	730,280
Fees for services	63,240
Licensing and enforcement	3,152,200
Real Estate Commission	1,489,000
Department of Labor:	
Licenses, permits and fines	772,000
Special Compensation Fund	704,084
Department of Law and Public Safety:	
Amusement Games Control fees	107,750
Beverage licenses	3,000,000
Bus Excise Tax	215,560
Division of Consumer Affairs:	
General revenues	1,570,000
Professional examining board fees	3,748,902
Division of State Police	585,800

Motor Vehicle Security-Responsibility Law Administration	$2,884,247
Pleasure boat licenses	1,700,000
Other boating fees	35,620
Department of State:	
Commissions	300,000
General revenue—Fees	5,385,000
Uniform Commercial Code—Fees	958,000
Department of Transportation:	
Applications and highway permits	485,000
Division of Aeronautics	96,900
Outdoor advertising	228,500
Department of the Treasury:	
Coin operated telephones	75,000
Escheats, Personal Property (14 year law)	200,000
Interest on deposits	2,200,000
Investment earnings	7,500,000
Municipal purposes tax assistance fund	30,500,000
New Jersey Sports and Exposition Authority	10,000,000
Public Utility Taxes—Administration	144,000
Public Utility Gross Receipts and Franchise Taxes	16,000,000
Railroad Tax—Class II	3,000,000
Railroad Tax—Franchise	40,000
Vending machine commissions	120,000
Miscellaneous Executive Commissions:	
Delaware River Joint Toll Bridge Commission Pennsylvania share	928,985
Other Sources:	
Miscellaneous revenue	500,000
Inter-Departmental Accounts:	
Administration and investment of pension and social security funds	6,500,000
Employee maintenance deductions	786,295
Health benefits contribution reimbursement from special funds	15,000,000
Indirect cost recovery—Federal	8,440,000
Judicial Retirement System reimbursements	1,150,000
Other fringe benefit reimbursement from special funds	1,800,000

Pension contribution reimbursement from special funds	$21,777,000
Public employer's contribution reimbursement	7,600,000
Reimbursement from Rutgers—Employer's share of employees' benefits	4,370,000
Rent of State building space	900,000
Social security contribution from special funds	17,731,000
Judicial Branch—	
Court fees	11,498,832
Total—Miscellaneous Taxes, Fees, Revenue	$385,790,645

Interfund Transfers

Beaches and Harbor Fund	$850,000
Clean Waters Fund	2,000,000
1837 Surplus Revenue Fund	60,000
Emergency Flood Control Fund	1,750,000
Energy Conservation Fund	800,000
Higher Education Buildings Construction Fund (Act of 1971)	150,000
Housing Assistance Fund	2,500
Institutional Construction Fund 1978	2,250,000
Institutions Construction Fund	1,250,000
Medical Education Facilities Fund	1,000,000
Mortgage Assistance Fund	246,755
Motor Vehicle Security—Responsibility Fund	70,000
Natural Resources Fund	1,500,000
New Jersey Spill Compensation Fund	1,000,000
Outstanding Checks Account	300,000
Public Building Construction Fund	95,000
Public Purpose Buildings Construction Fund	650,000
School Fund	3,100,000
Special Railroad Deposits	1,300
State Disability Benefits Fund	5,481,502
State Land Acquisition and Development Fund	1,000,000
State Lottery Fund	173,000,000
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974)	2,000,000
State Recreation and Conservation Land Acquisition Fund (Act of 1971)	500,000
State Transportation Fund	2,000,000

State Water Development Fund	$72,000
Transportation Fund	44,000,000
Transportation Rehabilitation and Improvement Fund of 1979	7,500,000
Unclaimed Bank Deposits Escheat Fund	300,000
Unclaimed Domestic Life Insurance Escheat Fund	330,000
Unclaimed Personal Property Trust Fund	2,000,000
Unemployment Compensation Auxiliary Fund	4,165,213
Unsatisfied Claim and Judgment Fund	290,478
Water Conservation Fund	1,800,000
Total Interfund Transfers	$261,514,748
Total Revenues, General Fund	$4,127,117,393
Plus:	
Repayment from Gubernatorial Election Fund	1,500,000
Total Resources, General Fund	$4,236,626,033
Property Tax Relief Fund	
Undesignated fund balance, July 1, 1981	$48,486,753
Gross Income Tax	1,245,000,000
Total Resources, Property Tax Relief Fund	$1,293,486,753
Gubernatorial Elections Fund	
Taxpayers' Designations	$1,500,000
Less:	
Repayment to General Fund	*1,500,000*
Total Resources, Gubernatorial Elections Fund	.....
Casino Control Fund	
License Fees	$29,964,865
Total Resources, Casino Control Fund	$29,964,865
Casino Revenue Fund	
Undesignated fund balance, July 1, 1981	$51,440,697
Gross Revenue Tax	104,000,000
Total Resources, Casino Revenue Fund	$155,440,697
Grand Total, Resources, All Funds	$5,715,518,348

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

1. The appropriations herein made or so much thereof as may be necessary are hereby appropriated out of the General Fund, or such other sources of funds specifically indicated or as may be applicable, for the respective public officers and spending agencies and for the several purposes herein specified for the fiscal year ending on June 30, 1982. Unless otherwise provided, the appropriations herein made shall be available during said fiscal year and for a period of one month thereafter for expenditures applicable to said fiscal year. Unless otherwise provided, at the expiration of said one-month period, all unexpended balances shall lapse into the State Treasury or to the credit of trust, dedicated or non-State funds as applicable, except those balances held by contracts on file as of June 30, 1982 with the Director of the Division of Budget and Accounting or held by encumbrance requests covering requisitions on file as of June 30, 1982 with the Director of the Division of Budget and Accounting, provided that contracts covering such requisitions are filed with the Director by July 31, 1982. Nothing contained in this section or in this act shall be construed to prohibit the payment due upon any contract made under any appropriation contained in any appropriation act of the previous year or years.

DIRECT STATE SERVICES

LEGISLATIVE BRANCH

Government Direction, Management and Control

71 Legislative Activities

Legislature

0001 Senate

01-0001 Senate		$2,828,920
Total Appropriation, Senate		$2,828,920
Personal Services:		
Senators (40)	($726,000)	
Salaries and wages	(752,000)	
Members' staff services	(880,000)	
Materials and Supplies	(55,300)	
Services Other Than Personal	(396,500)	
Maintenance and Fixed Charges	(9,000)	

Special Purpose:		
Compensation awards	(3,120)	
Additions, Improvements and Equipment	(7,000)	
The unexpended balance as of June 30, 1981 in this account is appropriated.		

0002 General Assembly

02-0002	General Assembly	$5,227,500
	Total Appropriation, General Assembly	$5,227,500

Personal Services:		
Members (80)	($1,446,000)	
Salaries and wages	(1,200,000)	
Members' staff services	(1,760,000)	
Materials and Supplies	(104,600)	
Services Other Than Personal	(686,900)	
Maintenance and Fixed Charges	(10,000)	
Additions, Improvements and Equipment	(20,000)	
The unexpended balance as of June 30, 1981 in this account is appropriated.		
Total Appropriation, Legislature		$8,056,420

0003 Office of Legislative Services

03-0003	Management and General Support	$2,693,005
04-0003	Legal Services	562,777
05-0003	Information and Research	1,744,044
06-0003	State Auditing	1,987,256
07-0003	Budget and Program Review	763,692
	Total Appropriation, Office of Legislative Services	$7,750,774

Personal Services:		
State Auditor	($21,250)	
Salaries and wages	(4,957,663)	
New positions	(196,606)	

Materials and Supplies	(1,689,200)
Services Other Than Personal	(561,594)
Maintenance and Fixed Charges	(44,225)
Special Purpose:	
Computer statutory research	(30,000)
Compensation awards	(4,000)
Additions, Improvements and Equipment	(246,236)

The unexpended balance as of June 30, 1981 in this account is appropriated.

Legislative Commissions

0010 Intergovernmental Relations Commission

09-0010	Intergovernmental Relations Commission	$305,597
	Total Appropriation, Intergovernmental Relations Commission	$305,597

Special Purpose:	
Expenses of Commission	($8,000)
The Council of State Governments	(70,000)
Atlantic States Marine Fisheries Commission	(5,300)
National Conference of Commissioners on Uniform State Laws	(14,900)
Education Commission of the States	(43,800)
National Governors Association	(89,040)
Advisory Commission on Intergovernmental Relations	(3,000)
National Conference of State Legislatures	(71,557)

The unexpended balance as of June 30, 1981 in this account is appropriated.

09-0014 Joint Committee on Public Schools

The unexpended balance as of June 30, 1981 in this account is appropriated.

0018 State Commission of Investigation

09-0018	State Commission of Investigation	$1,261,662
	Total Appropriation, State Commission of Investigation	$1,261,662

Special Purpose:
Expenses of Commission ..... ($1,261,662)
The unexpended balance of June 30, 1981 in this account is appropriated.

0025 Commission to Study Sex Discrimination in the Statutes

09-0025 Commission to Study Sex Discrimination in the Statutes $40,000

Total Appropriation, Commission to Study Sex Discrimination in the Statutes $40,000

Special Purpose:
Expenses of Commission ..... ($40,000)
The unexpended balance as of June 30, 1981 in this account is appropriated.

0026 Commission on Business Efficiency in the Public Schools

09-0026 Commission on Business Efficiency in the Public Schools $25,000

Total Appropriation, Commission on Business Efficiency in the Public Schools $25,000

Special Purpose:
Expenses of Commission ..... ($25,000)
The unexpended balance as of June 30, 1981 in this account is appropriated.

09-0030 Commission to Study Teacher Preparation Programs at New Jersey Colleges

The unexpended balance as of June 30, 1981 in this account is appropriated.

0031 Commission on the Incidence of Cancer

09-0031 Commission on the Incidence of Cancer .. $25,000

Total Appropriation, Commission on the Incidence of Cancer $25,000

Special Purpose:
Expenses of Commission ..... ($25,000)
The unexpended balance as of June 30, 1981 in this account is appropriated.

0039 County and Municipal Government Study Commission

09-0039	County and Municipal Government Study Commission	$135,000
	Total Appropriation, County and Municipal Government Study Commission	$135,000

Special Purpose:
Expenses of Commission .....($135,000)

The unexpended balance as of June 30, 1981 in this account is appropriated.

09-0040 Apportionment Commission

The unexpended balance as of June 30, 1981 in this account is appropriated.

	Total Appropriation, Legislative Commissions	$1,792,259
	Total Appropriation, Legislative Branch ...	$17,599,453

EXECUTIVE BRANCH

CHIEF EXECUTIVE

Government Direction, Management and Control

76 Management and Administration

0300 Chief Executive's Office

01-0300	Executive Management	$1,709,764
	Total Appropriation, Chief Executive	$1,709,764

Personal Services:
Governor .....($65,000)
Secretary to the Governor .....(28,500)
Salaries and wages .....(1,222,264)
Materials and Supplies .....(49,000)
Services Other Than Personal .....(238,000)
Maintenance and Fixed Charges ....(47,000)

Special Purpose:		
Allowance to the Governor of funds not otherwise appropriated, for official reception on behalf of the State, operation of an official residence and other expenses	(55,000)	
Additions, Improvements and Equipment	(5,000)	
The unexpended balance as of June 30, 1981 in this account is appropriated.		

DEPARTMENT OF AGRICULTURE

Community Development and Environmental Management

42 Natural Resource Management

01-3310	Animal Disease Control	$559,509
02-3320	Plant Pest and Disease Control	1,340,567
03-3330	Resource Development Services	791,361
	Total Appropriation, Natural Resource Management	$2,691,437
Personal Services:		
Salaries and wages	($1,958,863)	
Positions transferred from another Statewide program	(23,924)	
Materials and Supplies	(127,275)	
Services Other Than Personal	(141,350)	
Maintenance and Fixed Charges	(167,325)	
Special Purpose:		
Gypsy moth control	(90,000)	
Soil survey program	(58,700)	
Grants to soil conservation districts	(124,000)	
The unexpended balances as of June 30, 1981 in the Gypsy moth control and Soil survey program accounts are appropriated for the same purposes.		

Economic Planning, Development and Security

51 Economic Planning and Development

06-3360	Marketing Services	$496,079
	Total Appropriation, Economic Planning and Development	$496,079

Personal Services:	
Salaries and wages ..... (	$380,010)
Materials and Supplies ..... (	7,450)
Services Other Than Personal ..... (	74,384)
Maintenance and Fixed Charges .... (	34,235)

Receipts for the Poultry Products Promotion Council (C54:47A–1), White Potato Industry Promotion Council (C54:47B–1), Asparagus Industry Promotion Council (C54:47C–1), Apple Industry Promotion Council (C54:47D–1), Sweet Potato Commission (C54:47E–1), Soybean Industry Promotion Council (C4:10–43 et seq.), Sire Stakes Fund (C5:5–91 et seq.), Dairy Industry Advisory Council (C4:10–43 et seq.), and New Jersey Horsebreeding and Development (C5:5–22 et seq.), are appropriated.

The unexpended balances as of June 30, 1981 in the accounts for the Poultry Products Promotion Council (C54:47A–1), White Potato Industry Promotion Council (C54:47B–1), Asparagus Industry Promotion Council (C54:47C–1), Apple Industry Promotion Council (C54:47D–1), Sweet Potato Commission (C54:47E–1), Soybean Industry Promotion Council (C4:10–43 et seq.), Sire Stakes Fund (C5:5–91 et seq.), Dairy Industry Advisory Council (C4:10–43 et seq.), New Jersey Horsebreeding and Development (C5:5–22 et seq.) are appropriated.

Receipts derived from the distribution of commodities, sale of containers and salvage of commodities, in accordance with applicable Federal regulations, and the unexpended balance of such receipts as of June 30, 1981, are appropriated for expenses of Commodity Distribution.

52 Economic Regulation

04-3340	Dairy Industry Regulation	$455,240
05-3350	Other Commodity Regulation	727,866
	Total Appropriation, Economic Regulation .	$1,183,106

Personal Services:		
Salaries and wages	($987,881)	
Materials and Supplies	(15,560)	
Services Other Than Personal	(63,760)	
Maintenance and Fixed Charges	(50,905)	
Special Purpose:		
Monitoring of toxic adulterated agricultural commodities	(65,000)	

Receipts from inspection fees derived from fruit, vegetable, fish and poultry inspections, and the unexpended balance as of June 30, 1981 of such receipts, are appropriated for the cost of operating fruit, vegetable, fish and poultry inspections.

Government Direction, Management and Control

76 Management and Administration

99-3370	Management and Administrative Services	$958,301
	Total Appropriation, Management and Administration	$958,301

Personal Services:		
Secretary	($56,000)	
Salaries and wages	(703,247)	
Materials and Supplies	(31,400)	
Services Other Than Personal	(100,254)	
Maintenance and Fixed Charges	(53,780)	
Special Purpose:		
Expenses of State Board of Agriculture	(11,200)	
Additions, Improvements and Equipment	(2,420)	
Total Appropriation, Department of Agriculture		$5,328,923

DEPARTMENT OF BANKING

Economic Planning, Development and Security

52 Economic Regulation

01-3010	Regulation of Banking Industry	$2,311,224
02-3020	Regulation of Savings and Loan Associations	993,724
99-3040	Management and Administrative Services	830,678
	Total Appropriation, Economic Regulation	$4,135,626

Personal Services:		
Commissioner	($56,000)	
Salaries and wages	(3,486,177)	
Materials and Supplies	(48,000)	
Services Other Than Personal	(513,109)	
Maintenance and Fixed Charges	(17,940)	
Special Purpose:		
Compensation awards	(4,500)	
Additions, Improvements and Equipment	(9,900)	
Total Appropriation, Department of Banking		$4,135,626

The unexpended balance as of June 30, 1981 in the account for Regulation and licensing of Mortgage Bankers and Brokers and receipts derived in accordance with the provisions of C17:11B–1 et seq., are appropriated for the same purpose.

DEPARTMENT OF CIVIL SERVICE

Government Direction, Management and Control

74 General Government Services

01-2710	Personnel Policy Development and General Administration	$2,937,565
02-2720	Recruitment and Selection	3,706,124
03-2730	Classification and Compensation Services	2,832,263
04-2740	Employee Development and Personnel Services	706,820
05-2750	Equal Employment Opportunity and Affirmative Action	649,743
	Total Appropriation, General Government Services	$10,832,515

Personal Services:		
President	($56,000)	
Commissioners (4 @ $14,500)	(58,000)	
Salaries and wages	(8,212,091)	
Positions established from lump sum appropriation	(168,818)	
Positions converted	(215,524)	
Materials and Supplies	(419,850)	
Services Other Than Personal	(1,441,532)	
Maintenance and Fixed Charges	(193,000)	
Special Purpose:		
Compensation awards	(10,000)	
Additions, Improvements and Equipment	(57,700)	
Total Appropriation, Department of Civil Service		$10,832,515

Receipts derived for training services provided to local governments are appropriated for the same purpose.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Economic Planning, Development and Security

51 Economic Planning and Development

20-2810	Economic Expansion and Growth	$1,785,757
24-2870	Travel and Tourism	1,129,456
25-2840	Economic Planning and Research	140,049
	Total Appropriation, Economic Planning and Development	$3,055,262

Personal Services:		
Salaries	($812,656)	
Positions funded from a Special Purpose Appropriation	(95,256)	
Materials and Supplies	(313,300)	
Services Other Than Personal	(997,200)	
Maintenance and Fixed Charges	(128,850)	

Special Purpose:	
State Office—World Trade Center	(27,000)
International Trade Promotion	(405,000)
New Jersey Motion Picture and Development Commission	(229,000)
Governor's Ethnic Advisory Council	(45,000)
Additions, Improvements and Equipment	(2,000)

The amounts hereinabove for Economic Expansion and Growth and Travel and Tourism program classifications are appropriated out of the Unemployment Compensation Auxiliary Fund.

The unexpended balances as of June 30, 1981 in the Economic Expansion and Growth and Travel and Tourism program classifications are appropriated.

The Economic Development Authority shall pay to the Unemployment Compensation Auxiliary Fund $1,000,000 as a partial reimbursement of funds advanced to the Authority and this repayment shall be appropriated to the Economic Expansion and Growth and Travel and Tourism program classifications, subject to the approval of a spending plan by the Director of the Division of Budget and Accounting.

Total Appropriation, Department of Commerce and Economic Development	$3,055,262

DEPARTMENT OF COMMUNITY AFFAIRS

Community Development and Environmental Management

41 Community Development Management

01-8010	Housing Code Enforcement	$2,690,063
02-8020	Housing Services	1,733,755
03-8040	State and Regional Planning	1,136,230
04-8030	Local Government Services	2,031,587
06-8015	Uniform Construction Code	989,103
	Total Appropriation, Community Development Management	$8,580,738

Personal Services:		
Board Members (5 @ $8,000)	(	$40,000)
New Positions	(	29,722)
New Positions, Board Members (2 @ $8,000)	(	16,000)
Salaries and wages	(	4,946,892)
Positions established from lump sum appropriation	(	400,713)
Positions transferred from other Statewide programs	(	35,847)
Positions converted	(	123,212)
Materials and Supplies	(	166,516)
Services Other Than Personal	(	532,604)
Maintenance and Fixed Charges	(	408,557)
Special Purpose:		
Cooperative housing inspection	(	1,000,000)
Habitual offenders' unit	(	56,000)
Delaware Valley Regional Planning Commission for New Jersey studies as noted below	(	34,000)
Tri-State Regional Planning Commission for New Jersey studies as noted below	(	184,000)
Local government authority audits	(	200,000)
Boarding home inspection and enforcement	(	400,000)
Additions, Improvements and Equipment	(	6,675)

Any funds expended for relocation assistance shall be applicable to the fiscal year 1981-82 only; provided, however, that the commissioner of the Department of Community Affairs be empowered to continue existing contracts for rent supplements (C52:27D–66).

The amount hereinabove for the Delaware Valley Regional Planning Commission and the Tri-State Regional Planning Commission may be used for the Department of Community Affairs' staff services necessary to conduct land development planning studies in the Philadelphia-Camden and Northeastern New Jersey-New York urban areas

as a match for Federal funds; provided, however, that such Federal funds be made available to the respective planning commissions.

Revenue derived from lease review fees received by the Department of Community Affairs from the Plain Language Act (P.L. 1980, Chapter 125) is appropriated for expenses of implementing the Act.

Revenues derived from the sale of Truth in Renting statements, including fees, fines and penalties, are appropriated for administering the Truth in Renting Act (C46:8–43 et seq.).

Revenue derived from enforcement actions brought under the Landlord Registration Act (C46:8–27 et seq.) is appropriated for the enforcement of such Act.

Notwithstanding any other statutory provision to the contrary, the Commissioner of Community Affairs shall establish by regulation a registration fee schedule sufficient to cover the cost of enforcement of the Planned Real Estate Development Full Disclosure Act (C45:22A–21 et seq.). Fees derived in excess of those anticipated are appropriated for the cost of enforcement of the Act and for program expenses.

Local government authority audit fees are appropriated for expenses of audits.

Uniform construction code fees received from those additional municipalities which elect to have the State of New Jersey perform code enforcement after July 1, 1980 are appropriated for additional expenditures.

Economic Planning, Development and Security

55 Related Social Services Programs

05-8050	Human Resources	$744,945*
08-8060	Programs for the Aging	1,158,529
	Total Appropriation, Related Social Services Programs	$1,903,474*

Personal Services:		
Salaries and wages	(	$604,245)
Positions established from lump sum appropriation	(	377,370)
Positions transferred from other Statewide programs	(	55,221)
Materials and Supplies	(	43,125)
Services Other Than Personal	(	112,148)
Maintenance and Fixed Charges	(	46,165)
Special Purpose:		
Governor's State Committee on Youth and Children	(	60,000)
Technical assistance for displaced homemakers	(	30,000)
Women's referral center	(	35,000)
Expenses of the New Jersey Commission on Women	(	6,500)
Domestic violence	(	6,500)
Senior service outreach program	(	100,000)
Federal programs for the aging (State share)	(	250,000)
Expenses of the Commission on Aging	(	1,000)
White House conference on aging	(	15,000)
New program initiatives, Division on Women	(	*)
Grants:		
Newark Community Center for the Arts	(	86,000)
Archway Senior Citizen Center, Berlin	(	50,000)
Additions, Improvements and Equipment	(	25,200)

The unexpended balance, not to exceed $100,000, as of June 30, 1981 in the Ombudsman for the Institutionalized Elderly account is appropriated for the same purpose.

The funds hereinabove in the Federal aging programs (State share) account only shall be expended in an amount not to exceed 50% of the non-Federal share of Federally approved projects

with non-State agencies; provided, however, that 100% of the non-Federal share be provided for Federally approved projects with State agencies.

Government Direction, Management and Control

76 Management and Administration

99-8070	Management and Administrative Services	$1,491,269
	Total Appropriation, Management and Administration	$1,491,269
	Personal Services:	
	Commissioner	($56,000)
	Salaries and wages	(1,125,106)
	Positions transferred from other Statewide programs	(45,441)
	Materials and Supplies	(12,942)
	Services Other Than Personal	(173,396)
	Maintenance and Fixed Charges	(49,250)
	Special Purpose:	
	Compensation awards	(13,504)
	Additions, Improvements and Equipment	(15,630)
	Total Appropriation, Department of Community Affairs	$11,975,481*

DEPARTMENT OF CORRECTIONS

Public Safety and Criminal Justice

16 Detention and Rehabilitation

7040 State Prison, Trenton

07-7040	Institutional Control and Supervision	$9,398,620
08-7040	Institutional Care Program	3,222,117
09-7040	Institutional Treatment Program	914,012
10-7040	Education Program	641,257
19-7040	Physical Plant and Support Services	2,064,159
99-7040	Management and Administrative Services	646,558
	Total Appropriation, State Prison, Trenton	$16,886,723

Personal Services:	
Salaries and wages	($11,948,541)
Food in lieu of cash	(103,191)
Materials and Supplies	(3,102,387)
Services Other Than Personal	(1,000,642)
Maintenance and Fixed Charges	(107,850)
Special Purpose:	
Vocational education programs	(176,738)
Compensation awards	(100,000)
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(119,511)
Non-salary costs for increased inmate population	(148,413)
Additions, Improvements and Equipment	(79,450)

7050 State Prison, Rahway

07-7050	Institutional Control and Supervision	$6,995,949
08-7050	Institutional Care Program	2,714,909
09-7050	Institutional Treatment Program	774,117
10-7050	Education Program	564,386
19-7050	Physical Plant and Support Services	2,513,325
99-7050	Management and Administrative Services	486,330
	Total Appropriation, State Prison, Rahway	$14,049,016

Personal Services:	
Salaries and wages	($8,416,335)
Position transferred from another institution	(12,161)
Food in lieu of cash	(75,225)
Materials and Supplies	(3,828,725)
Services Other Than Personal	(834,337)
Maintenance and Fixed Charges	(105,140)
Special Purpose:	
Vocational education programs	(241,956)
Compensation awards	(120,000)

Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(300,359)
Non-salary costs for increased inmate population	(82,278)
Additions, Improvements and Equipment	(32,500)

7060 State Prison, Leesburg

07-7060	Institutional Control and Supervision	$5,286,582
08-7060	Institutional Care Program	2,515,531
09-7060	Institutional Treatment Program	783,363
10-7060	Education Program	421,987
19-7060	Physical Plant and Support Services	1,642,562
99-7060	Management and Administrative Services	423,867
	Total Appropriation, State Prison, Leesburg	$11,073,892

Personal Services:	
Salaries and wages	($6,586,721)
Position transferred from another institution	(22,770)
Positions converted	(17,113)
Food in lieu of cash	(61,950)
Materials and Supplies	(2,494,539)
Services Other Than Personal	(670,065)
Maintenance and Fixed Charges	(103,186)
Special Purpose:	
Treatment team program	(88,974)
Vocational education programs	(104,722)
Compensation awards	(15,000)
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(528,542)
Non-salary costs for increased inmate population	(333,771)
Additions, Improvements and Equipment	(46,539)

7080 Correctional Institution for Women, Clinton

07-7080	Institutional Control and Supervision ...	$2,901,907
08-7080	Institutional Care Program	1,429,034
09-7080	Institutional Treatment Progam	408,530
10-7080	Education Program	318,578
19-7080	Physical Plant and Support Services	945,295
99-7080	Management and Administrative Services	377,912
	Total Appropriation, Correctional Institution for Women, Clinton	$6,381,256

Personal Services:		
Salaries and wages	(	$4,381,534)
Positions converted	(	107,264)
Food in lieu of cash	(	38,409)
Materials and Supplies	(	851,731)
Services Other Than Personal	(	426,289)
Maintenance and Fixed Charges	(	88,126)
Special Purpose:		
Compensation awards	(	42,000)
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates .	(	146,212)
Non-salary costs for increased inmate population	(	217,389)
Additions, Improvements and Equipment	(	82,302)

7090 Adult Diagnostic and Treatment Center, Avenel

07-7090	Institutional Control and Supervision ...	$1,522,954
08-7090	Institutional Care Program	703,198
09-7090	Institutional Treatment Program	274,517
10-7090	Education Program	153,106
11-7090	Outpatient Diagnostic and Treatment Services	298,485
19-7090	Physical Plant and Support Services	651,242
99-7090	Management and Administrative Services	270,776
	Total Appropriation, Adult Diagnostic and Treatment Center, Avenel	$3,874,278

Personal Services:		
Salaries and wages	($2,773,428)	
Position transferred from another institution	(23,091)	
Food in lieu of cash	(25,488)	
Materials and Supplies	(753,559)	
Services Other Than Personal	(177,578)	
Maintenance and Fixed Charges	(33,540)	
Special Purpose:		
Compensation awards	(8,000)	
Non-salary costs for increased inmate population	(58,734)	
Additions, Improvements and Equipment	(20,860)	

7110 Youth Reception and Correction Center, Yardville

07-7110	Institutional Control and Supervision	$4,794,993
08-7110	Institutional Care Program	2,210,950
09-7110	Institutional Treatment Program	1,106,815
10-7110	Education Program	461,219
19-7110	Physical Plant and Support Services	1,305,143
99-7110	Management and Administrative Services	481,282
	Total Appropriation, Youth Reception and Correction Center, Yardville	$10,360,402

Personal Services:		
Salaries and wages	($7,167,541)	
Food in lieu of cash	(66,906)	
Materials and Supplies	(2,002,562)	
Services Other Than Personal	(588,930)	
Maintenance and Fixed Charges	(91,171)	
Special Purpose:		
Compensation awards	(35,000)	
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(181,932)	
Non-salary costs for increased inmate population	(165,310)	
Additions, Improvements and Equipment	(61,050)	

7120 Youth Correctional Institution, Bordentown

07-7120	Institutional Control and Supervision	$4,081,456
08-7120	Institutional Care Program	1,674,944
09-7120	Institutional Treatment Program	729,189
10-7120	Education Program	373,988
19-7120	Physical Plant and Support Services	1,143,221
99-7120	Management and Administrative Services	473,123
	Total Appropriation, Youth Correctional Institution, Bordentown	$8,475,921

Personal Services:		
Salaries and wages	($5,813,752)	
Positions tranferred from other institutions	(32,580)	
Food in lieu of cash	(56,286)	
Materials and Supplies	(1,619,417)	
Services Other Than Personal	(485,492)	
Maintenance and Fixed Charges	(72,391)	
Special Purpose:		
Compensation awards	(30,000)	
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(183,807)	
Non-salary costs for increased inmate population	(151,525)	
Additions, Improvements and Equipment	(30,671)	

7130 Youth Correctional Institution, Annandale

07-7130	Institutional Control and Supervision	$3,605,096
08-7130	Institutional Care Program	1,453,571
09-7130	Institutional Treatment Program	562,546
10-7130	Education Program	235,073
19-7130	Physical Plant and Support Services	1,334,986
99-7130	Management and Administrative Services	391,094
	Total Appropriation, Youth Correctional Institution, Annandale	$7,582,366

Personal Services:	
Salaries and wages	($5,346,101)
Food in lieu of cash	(48,852)
Materials and Supplies	(1,493,898)
Services Other Than Personal	(346,474)
Maintenance and Fixed Charges	(45,123)
Special Purpose:	
Compensation awards	(30,000)
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(79,926)
Non-salary costs for increased inmate population	(161,937)
Additions, Improvements and Equipment	(30,055)

7210 Training School for Boys, Skillman

07-7210	Institutional Control and Supervision	$1,260,534
08-7210	Institutional Care Program	491,841
09-7210	Institutional Treatment Program	304,789
19-7210	Physical Plant and Support Services	616,250
99-7210	Management and Administrative Services	320,514
	Total Appropriation, Training School for Boys, Skillman	$2,993,928

Personal Services:	
Salaries and wages	($2,374,791)
Materials and Supplies	(424,643)
Services Other Than Personal	(88,677)
Maintenance and Fixed Charges	(53,107)
Special Purpose:	
Compensation awards	(20,000)
Additions, Improvements and Equipment	(32,710)

7220 Training School for Boys, Jamesburg

07-7220	Institutional Control and Supervision	$2,629,434
08-7220	Institutional Care Program	1,098,092
09-7220	Institutional Treatment Program	588,825

10-7220	Education Program	11,848
19-7220	Physical Plant and Support Services	1,591,025
99-7220	Management and Administrative Services	382,142
	Total Appropriation, Training School for Boys, Jamesburg	$6,301,366

Personal Services:		
Salaries and wages	(	$4,184,472)
Position transferred from another Statewide program	(	32,511)
Food in lieu of cash	(	41,595)
Materials and Supplies	(	1,375,046)
Services Other Than Personal	(	234,604)
Maintenance and Fixed Charges	(	105,185)
Special Purpose:		
Compensation awards	(	20,000)
Salary and related personal services costs for custody of inmates housed in trailers and other facilities converted to house inmates	(	152,933)
Non-salary costs for increased inmate population	(	123,669)
Additions, Improvements and Equipment	(	31,351)

17 Parole and Community Programs

7010 Office of Parole and Community Programs

03-7010	Parole	$4,754,247
04-7010	Community Programs	1,440,084
	Total Appropriation, Office of Parole and Community Programs	$6,194,331

Personal Services:		
Salaries and wages	(	$4,226,915)
Materials and Supplies	(	52,000)
Services Other Than Personal	(	144,662)
Maintenance and Fixed Charges	(	330,670)

Special Purpose:
Camden Residential Group Home ..(245,565)
Camden Treatment Center .....(203,513)
Paterson Treatment Center .....(248,726)
Plainfield Treatment Center .....(206,412)
Community Residence Center, Jersey City .....(140,798)
Community Service Center, Newark(395,070)
Funds received on behalf of parolees by community-based resource facilities are appropriated for the benefit of those parolees.

7280 State Parole Board

05-7280	State Parole Board	$1,338,225
	Total Appropriation, State Parole Board ...	$1,338,225

Personal Services:
Salaries and wages .....($683,837)
Positions established from lump sum appropriation .....(434,223)
Positions transferred from another Statewide program .....(102,417)
Materials and Supplies .....(14,450)
Services Other Than Personal .....(56,898)
Maintenance and Fixed Charges .....(21,400)
Additions, Improvements and Equipment .....(25,000)

18 Juvenile Correctional Services

12-7230	Residential Group Center, Highfields	$141,675
12-7240	Residential Group Center, Warren	179,466
12-7250	Residential Group Center, Ocean	167,347
12-7260	Residential Group Center, Turrell	173,948
	Total Appropriation, Juvenile Correctional Services	$662,436

Personal Services:		
Salaries and wages	($381,243)	
Food in lieu of cash	(4,248)	
Materials and Supplies	(147,723)	
Services Other Than Personal	(44,067)	
Maintenance and Fixed Charges	(14,916)	
Special Purpose:		
Compensation awards	(100)	
Additions, Improvements and Equipment	(70,139)	

19 Central Planning, Direction and Management

01-7000	Planning, Management and General Support	$1,441,371
02-7000	Program Operations Support	2,590,073
19-7000	Physical Plant and Support Services	703,727
99-7000	Management and Administrative Services	2,695,505
	Total Appropriation, Central Planning, Direction and Management	$7,430,676

Personal Services:		
Commissioner	($56,000)	
Salaries and wages	(2,898,763)	
Positions established from lump sum appropriation	(415,906)	
Positions transferred from other Statewide programs	(237,752)	
Materials and Supplies	(383,969)	
Services Other Than Personal	(572,763)	
Maintenance and Fixed Charges	(124,788)	
Special Purpose:		
Information and evaluation unit	(118,686)	
Title XX progams (State share)	(190,000)	
Increase inmate wages	(150,000)	
Purchase of services for inmates incarcerated in county penal facilities	(870,000)	
Mattress replacement program	(200,000)	
Adult post-secondary and college programs	(175,000)	

Administration of school programs (C18:75B–1 et seq.)	(	15,575)
Augment medical care at institutions	(	250,000)
Computerized menu planning	(	42,000)
Institutional law libraries	(	25,200)
Disciplinary hearing officers	(	175,000)
Accreditation standards development	(	45,496)
Compensation awards	(	10,000)
Grants:		
Transportation assistance for inmates' families' visitations	(	145,000)
Purchase of community services	(	175,000)
Additions, Improvements and Equipment	(	153,778)

The unexpended balance as of June 30, 1981 in the Purchase of services for inmates incarcerated in county penal facilities account is appropriated and available for the payment of obligations applicable to the fiscal years ending June 30, 1979, June 30, 1980 and June 30, 1981.

Total Appropriation, Department of Corrections $103,604,816

Balances on hand as of June 30, 1981 of funds held for the benefit of inmates in the several institutions, and such funds as may be received, are appropriated for the use of such inmates.

Payments received by the State from employers of prisoners on their behalf, as part of any work release program, are appropriated for the purposes provided (C30:4–91.1 et seq.).

Of the amount hereinabove for the Department of Corrections, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule below first shall be charged to the State Lottery Fund:

Operation of correctional institutions ..... ($87,979,148)

DEPARTMENT OF DEFENSE

Public Safety and Criminal Justice

14 Military Services

01-3600	National Guard Training, Operations and Administration	$1,985,488
02-3600	Management of National Guard Installations	4,754,967
03-3600	Management of Joint Training Center	904,338
	Total Appropriation, Military Services	$7,644,793

Personal Services:		
Chief of Staff	(	$53,500)
Salaries and wages	(	3,600,467)
Materials and Supplies	(	2,217,193)
Services Other Than Personal	(	405,983)
Maintenance and Fixed Charges	(	223,175)
Special Purpose:		
New Jersey Military Academy	(	30,000)
Joint Federal-State operations and maintenance contracts (State share)	(	480,000)
Compensation awards	(	74,000)
Additions, Improvements and Equipment	(	560,475)

Receipts derived from rental of armories are appropriated for operation and maintenance thereof.

The unexpended balance as of June 30, 1981, in the Joint Federal-State operations and maintenance contracts (State share) account is appropriated for the same purpose.

Receipts derived from the sale of meals at the Dining Facility, Sea Girt, and the unexpended balance of such receipts, as of June 30, 1981 are appropriated.

Total Appropriation, Department of Defense $7,644,793

DEPARTMENT OF EDUCATION

Educational, Cultural and Intellectual Development

31 Direct Educational Services and Assistance

04-5030	Adult and Continuing Education Programs	$407,960
05-5030	Bilingual Education Programs	178,554
06-5030	Compensatory Education Programs	259,637
07-5030	Special Education Programs	1,308,417
	Total Appropriation, Direct Educational Services and Assistance	$2,154,568

Personal Services:	
Salaries and wages	($1,881,643)
Materials and Supplies	(44,850)
Services Other Than Personal	(119,275)
Maintenance and Fixed Charges	(8,800)
Grants:	
Programs for the gifted and talented	(100,000)

32 Operation and Support of Educational Institutions

10-5010	State Facilities Education	$112,037
12-5011	Educational Institutions for the Handicapped	5,742,426
15-5010	Project COED	2,026,198
	Total Appropriation, Operation and Support of Educational Institutions	$7,880,661

Personal Services:	
Salaries and wages	($5,676,113)
Materials and Supplies	(1,247,333)
Services Other Than Personal	(237,714)
Maintenance and Fixed Charges	(246,400)
Special Purpose:	
Transportation expenses for students	(266,000)
Compensation awards	(20,616)
Additions, Improvements and Equipment	(186,485)

Notwithstanding the provisions of NJS 18A:61–1 and NJS 18A:46–13, or any other statute, $2,315,250 of the amount hereinabove to the Marie H. Katzenbach School for the Deaf for operating expenses shall be reimbursed by tuition paid by local boards of education; provided, however, that each local board pay that portion of costs which the number of its handicapped pupils bears to the entire number of handicapped pupils in the school; provided further, however, that tuition payments be made by each local board in accordance with a schedule adopted by the Commissioner of Education and the Director of the Division of Budget and Accounting and be paid directly to the State Treasurer.

Receipts derived from tuition charges at the Marie H. Katzenbach School for the Deaf in excess of those anticipated and the unexpended balance as of June 30, 1981 of such receipts are appropriated for the costs of operation, including capital expenses.

12-5012 Millburn Regional School for the Handicapped

Receipts derived from tuition charges at the Millburn Regional School for the Handicapped and the unexpended balance as of June 30, 1981 of such receipts are appropriated for the costs of operation.

33 Supplemental Education and Training Programs

20-5040	General Vocational Education Programs	$1,206,569
21-5040	Special Vocational Education Programs	417,353
22-5040	Occupational Career Research	142,947
	Total Appropriation, Supplemental Education and Training Programs	$1,766,869

Personal Services:	
Salaries and wages	($1,580,944)
Materials and Supplies	(12,390)
Services Other Than Personal	(67,635)
Maintenance and Fixed Charges	(5,900)
Special Purpose:	
Career Education Incentive Act	(100,000)

34 Educational Support Services

30-5030	Curriculum Process	$243,711
32-5010	Teacher Certification Services	545,977
33-5110	School Approval Programs	5,111,230
34-5100	Equal Educational Opportunities	160,941
35-5020	Resolution of School Controversies and Disputes	240,183
36-5120	Pupil Transportation Services	261,704
37-5120	School Nutrition Programs	201,571
38-5120	Facilities Planning and School Building Aid	324,677
	Total Appropriation, Educational Support Services	$7,089,994

Personal Services:	
County superintendents	($927,726)
Salaries and wages	(5,619,218)
Positions transferred from another Statewide program	(41,530)
Materials and Supplies	(38,000)
Services Other Than Personal	(327,480)
Maintenance and Fixed Charges	(39,740)
Special Purpose:	
Teen arts program	(65,000)
New Jersey School for the Arts	(30,000)
Additions, Improvements and Equipment	(1,300)

Receipts derived from the inspection of school construction and the unexpended balance as of June 30, 1981 of such receipts are appropriated.

Receipts in excess of the $455,000 anticipated are appropriated from the State Board of Examiners' fees to supplement the operation of the Teacher Certification program classification and to improve services to the public.

35 Education Administration and Management

40-5050	Research, Planning and Evaluation Services	$1,694,358
41-5095	General Administrative Support Services	1,681,720
42-5120	School Finance and Auditing	543,262
	Total Appropriation, Education Administration and Management	$3,919,340

Personal Services:		
Commissioner	($56,000)	
Salaries and wages	(2,281,252)	
Positions transferred from other Statewide programs/institutions	(7,555)	
Materials and Supplies	(220,470)	
Services Other Than Personal	(1,114,978)	
Maintenance and Fixed Charges	(116,385)	
Special Purpose:		
Minimal standards	(80,000)	
State Board of Education expenses	(36,000)	
Compensation awards	(6,700)	

37 Cultural and Intellectual Development Services

51-5070	Library Services	$2,827,599
52-5075	Development of Historical Resources	364,026
53-5080	Museum Services	1,354,176
54-5085	Support of the Arts	3,039,316
	Total Appropriation, Cultural and Intellectual Development Services	$7,585,117

Personal Services:		
Salaries and wages	($3,185,796)	
New positions	(16,298)	
Materials and Supplies	(597,444)	
Services Other Than Personal	(346,441)	
Maintenance and Fixed Charges	(56,480)	
Special Purpose:		
Records Storage Center/Library for the Blind and Handicapped	(339,908)	
Oral history project	(18,250)	

Acquisition of art and historical objects	(	60,000)
Cultural projects	(	2,894,000)
Council member expenses	(	1,500)
The Papers of William Livingston	(	36,000)
Additions, Improvements and Equipment	(	33,000)

The unexpended balance as of June 30, 1981 in the Records Storage Center/Library for the Blind and Handicapped special purpose account is appropriated for the same purpose.

Of the amounts hereinabove for various cultural projects a sum, not to exceed $50,000, may be used for additional administrative expenses.

The State Council on the Arts may require of recipient groups, and in the case of those receiving over $50,000 shall require, that performances be scheduled in several regional centers of the State.

Total Appropriation, Department of Education $30,396,549

Of the amount hereinabove for the Department of Education, such sums as the Director of the Division of Budget and Accounting shall determine, from the schedule below, first shall be charged to the State Lottery Fund:

Marie H. Katzenbach School for the Deaf	(	$3,427,176)
Project COED	(	2,026,198)

DEPARTMENT OF ENERGY

Educational, Cultural and Intellectual Development

37 Cultural and Intellectual Development Services

10-4050 Public Broadcasting Services $4,695,906

Total Appropriation, Cultural and Intellectual Development Services $4,695,906

Personal Services:	
Salaries and wages	($2,574,679)
Positions converted	(91,108)
Materials and Supplies	(353,390)
Services Other Than Personal	(387,229)
Maintenance and Fixed Charges	(283,500)
Special Purpose:	
Programming	(760,000)
Grant from the State to produce the daily lottery drawing program	(150,000)
South Jersey local production unit	(60,000)
Instructional television service teacher's manual	(15,000)
Grant to Newark Public Radio	(20,000)
Additions, Improvements and Equipment	(1,000)

Receipts derived from leasing space on transmitter towers, rental of studio or production facilities to non-profit organizations and sale or reproduction of Authority produced progams, and the unexpended balance as of June 30, 1981 of such receipts are appropriated.

The unexpended balance as of June 30, 1981 in the NJPTV/WNET Joint News Project, and the receipts derived therefrom, are appropriated.

Community Development and Environmental Management
42 Natural Resource Management

05-4030	Energy Resource Management	$1,593,923
99-4030	Management and Administrative Services	288,517
	Total Appropriation, Natural Resource Management	$1,882,440

Personal Services:	
Commissioner	($56,000)
Salaries and wages	(684,055)
Positions converted	(97,099)
Materials and Supplies	(16,700)
Services Other Than Personal	(374,446)
Maintenance and Fixed Charges	(26,250)

Special Purpose:	
Assumption of Federal reductions for energy conservation programs	(621,000)
Additions, Improvements and Equipment	(6,890)

Economic Planning, Development and Security

52 Economic Regulation

01-4010	Financial Regulation	$2,094,141
02-4020	Service Adequacy and Safety	1,299,185
04-4045	Regulation of Cable Television	370,480
99-4040	Management and Administrative Services	2,016,249
	Total Appropriation, Economic Regulation	$5,780,055

Personal Services:	
Board members (3 @ $56,000)	($168,000)
Salaries and wages	(4,972,587)
New positions	(94,750)
Materials and Supplies	(69,500)
Services Other Than Personal	(346,968)
Maintenance and Fixed Charges	(115,250)
Additions, Improvements and Equipment	(13,000)

In addition to the sum hereinabove, such other sums, as the Director of the Division of Budget and Accounting shall determine, shall be considered as appropriated on behalf of the Board of Public Utilities (C48:2–59 et seq. and C48:5A–32 et seq., or other applicable statutes), with respect to assessment of public utilities or the cable television industry.

The unexpended balance as of June 30, 1981 in this account is appropriated.

Total Appropriation, Department of Energy	$12,358,401

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Community Development and Environmental Management

42 Natural Resource Management

05-4840	Water Supply and Flood Plain Management	$2,294,755
06-4845	Water Facilities Operations	398,691
11-4870	Forest Resource Management	2,974,840
13-4880	Hunters' and Anglers' License Fund	4,345,221
14-4885	Shellfish and Marine Fisheries Management	793,727
15-4890	Marine Lands Management	1,627,156
20-4880	Wildlife Management	73,000
	Total Appropriation, Natural Resource Management	$12,507,390

Personal Services:		
Salaries and wages	($7,162,351)	
Positions transferred from other Statewide programs	(112,182)	
Materials and Supplies	(1,266,902)	
Services Other Than Personal	(921,991)	
Maintenance and Fixed Charges	(636,083)	
Special Purpose:		
Office of the rivermaster	(40,000)	
Laboratory services (Department of Health)	(50,000)	
Fire fighting costs	(250,000)	
Storing, loading and planting of oyster shells (C50:3–20.17)	(30,000)	
Surf clam research and inventory	(45,000)	
Marine fisheries program	(437,741)	
Marine fisheries inspection	(40,000)	
Delineation and determination of State riparian land	(430,000)	
Tidelands resource council	(27,500)	
Protection of endangered and non-game wildlife species	(48,000)	
Wildlife and fisheries program development	(25,000)	

Compensation awards	(48,600)
Additions, Improvements and Equipment	(936,040)

The unexpended balances as of June 30, 1981 in the Fire fighting costs and Delineation and determination of State riparian land accounts are appropriated for the same purposes.

Receipts in excess of those anticipated from water sales of the Delaware and Raritan Canal are appropriated for operation, maintenance and improvement of the Canal.

There is appropriated for operation and maintenance of Spruce Run and Round Valley Reservoirs a sum not to exceed $1,300,000 out of aggregate revenue collected (C58:22-10) and that any receipts in excess of such amount be appropriated for the cost of additional pumping operations as necessitated by a drought emergency.

The amount hereinabove for the Hunters' and Anglers' License Fund shall be payable out of said Fund and any amount remaining therein, in addition to the unexpended balances as of June 30, 1981, are appropriated for additional operating costs. If receipts to said Fund are less than anticipated, the appropriation shall be reduced correspondingly.

Receipts derived from Sea clam fees and Sea clam licenses (commercial and non-commercial) are appropriated for program costs.

The amount hereinabove for delineation and determination of State riparian land shall be provided from receipts derived from the sales, grants, leases, licensing and rentals of State riparian lands, and any receipts in excess of such amount, not to exceed $620,000, are appropriated for the same purpose; provided, however, that should the receipts be insufficient to finance such authorization, sufficient sums shall be advanced from the General Fund for the same purpose; provided

further, however, that any sum so advanced must be returned to the General Fund from future receipts derived from the sales, grants, leases, licensing or rentals of State riparian lands.

Of the amount hereinabove for Marine Lands Management, $427,000 be first charged to receipts derived from the sales, grants, leases, licensing and rentals of State riparian lands as reimbursement for staff and administrative costs necessary for managing and providing proper surveillance and enforcement of State rights over the use of State owned riparian lands; provided however that there be appropriated from any receipts in excess of the amount anticipated such additional sums as may be required to meet peak demands of the Marine Lands Management Program subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the sale of materials encouraging the protection of endangered and non-game wildlife species are appropriated for carrying out a program of protection of endangered and non-game wildlife species.

43 Environmental Quality

02-4825	Air Pollution Control	$2,145,322
03-4830	Noise Control	45,000
07-4850	Water Monitoring and Planning	1,406,690
08-4855	Water Enforcement	689,776
17-4900	Solid Waste Resource Management	1,798,594
22-4861	Water Quality Management	607,234
	Total Appropriation, Environmental Quality	$6,692,616

Personal Services:

Salaries and wages	($3,537,723)
Positions established from lump sum appropriation	(73,052)
Positions transferred from other Statewide programs	(33,931)

Materials and Supplies	(276,698)
Services Other Than Personal	(623,741)
Maintenance and Fixed Charges	(351,665)
Special Purpose:	
Noise control	(45,000)
Weed control, State controlled lakes	(50,000)
Laboratory services (Department of Health)	(559,500)
Ground water investigations	(50,000)
Expansion of solid waste regulatory programs	(560,000)
Solid waste planning and resource recovery implementation	(239,301)
Compensation awards	(6,000)
Additions, Improvements and Equipment	(286,005)

Receipts derived from laboratory certification are appropriated for the same purpose.

Receipts derived from the National pollutant discharge elimination system are appropriated for expenses of the program.

There is appropriated from the Natural Resources Bond Fund not more than $2,100,000 for costs attributable to planning, engineering, developing and constructing regional waste water treatment facilities subject to the approval of the Director of the Division of Budget and Accounting.

To the extent that appropriations contained herein for Hazardous Waste, Solid Waste Resource Management and Solid Waste Implementation Grants can be offset by fees proposed in A-2282, An Act creating a Solid Waste Services Fund and Supplementing the Solid Waste Management Act (PL 1970, c. 39), or other legislation, such appropriations shall be reduced by the amount available from such fees and that any resulting savings shall accrue to the credit of the General Fund.

44 Hazardous and Toxic Pollution Control

01-4820	Radiation Protection	$1,034,267
04-4835	Pesticide Control	120,000
18-4810	Environmental Cancer and Toxic Substances	1,462,894
19-4815	Spill Prevention, Response and Site Cleanup	1,000,000
23-4910	Hazardous Waste	1,780,000
	Total Appropriation, Hazardous and Toxic Pollution Control	$5,397,161

Personal Services:	
Salaries and wages	($608,269)
Positions transferred from other Statewide programs	(17,243)
Materials and Supplies	(35,125)
Services Other Than Personal	(35,569)
Maintenance and Fixed Charges	(36,350)
Special Purpose:	
Radiation analyses	(43,200)
Certification of nuclear medicine technologists	(51,055)
X-ray technology certification	(55,000)
Certification of terminated sites	(127,350)
Monitor transportation of radioactive materials	(62,500)
Pesticide control	(120,000)
Monitor the environment for cancer causing agents and other hazardous or toxic substances	(1,357,000)
Spill prevention, response and site cleanup	(1,000,000)
Improvements to hazardous waste program	(1,780,000)
Compensation awards	(8,500)
Additions, Improvements and Equipment	(60,000)

Receipts from the Radiation protection and Pesticide control programs in excess of those anticipated are appropriated.

The unexpended balance as of June 30, 1981, in the Nuclear emergency response account is appropriated.

Receipts derived from examination of X-ray technicians, in excess of those anticipated, are appropriated for enforcement purposes.

The Commissioner of Environmental Protection shall establish fees for the training of pesticide applicators, and receipts derived from such fees are appropriated to carry out the training program.

The unexpended balance as of June 30, 1981 in the Monitor the environment for cancer causing agents and other hazardous or toxic substances account is appropriated for the same purpose.

The amount hereinabove for Spill Prevention, Response and Site Cleanup is appropriated from the New Jersey Spill Compensation Fund and, in addition, so much as may be required for additional costs of operations in accordance with the provisions of C58:10–23.11 et seq. be appropriated, subject to approval of the Director, Division of Budget and Accounting.

A sum not to exceed $300,000 is appropriated from interest earned by the New Jersey Spill Compensation Fund for research on the prevention and the effects of spills of hazardous substances on the marine environment and to develop improved clean-up and removal operation methods, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the sale of salvageable materials are appropriated to offset costs incurred in the cleanup and removal of hazardous substances.

There is appropriated from the New Jersey Spill Compensation Fund, so much as may be required for clean-up costs.

Receipts derived from inspections of solid waste disposal facilities, handling or disposing of hazardous or special wastes are appropriated to operate this inspection program.

45 Recreational Resource Management

10-4865	Marina Operations	$411,682
12-4875	Parks Management	12,509,136
21-4895	Navigational Aids	713,159
	Total Appropriation, Recreational Resource Management	$13,633,977

Personal Services:
Salaries and wages ..... ($6,937,134)
Materials and Supplies ..... (1,915,900)
Services Other Than Personal ..... (534,743)
Maintenance and Fixed Charges ..... (789,900)

Special Purpose:
Maintenance Old Barracks, Trenton (State share) ..... (125,000)
Expenses of the Delaware and Raritan Canal Commission ..... (100,000)
Youth conservation and recreation projects ..... (75,000)
Day-trip and camping opportunities for youngsters from lower and moderate income families .. (2,000,000)
To continue operation of all state parks and recreation areas .....
Construction, maintenance, improvement and dredging of inland waterways; bulkheading and dredging at State marinas and dredging State-controlled lakes .. (410,000)
Compensation awards ..... (55,800)
Additions, Improvements and Equipment ..... (690,500)

Receipts in excess of those anticipated from marina operations are appropriated for maintenance and security of marina facilities.

The amount hereinabove for the operation, maintenance and administration of Morris Canal and Banking Company properties shall be payable out of the Morris Canal Fund and there shall be re-

funded to the General Fund such amounts as have been advanced from said Fund to the Morris Canal Fund whenever and to the extent that cash in the Morris Canal Fund exceeds the liabilities thereof.

The unexpended balance as of June 30, 1981, in the Youth conservation and recreation projects account is appropriated.

The unexpended balance as of June 30, 1981, in the Construction, maintenance, improvement and dredging inland waterways; bulkheading and dredging of State marinas and dredging State-controlled lakes account is appropriated.

4876 Palisades Interstate Park Commission

24-4876	Parks Management	$1,285,062
25-4876	Patrol Activities and Crime Control	742,357
	Total Appropriation, Palisades Interstate Park Commission	$2,027,419

Personal Services:

Salaries and wages	($1,446,473)
Materials and Supplies	(264,700)
Services Other Than Personal	(119,506)
Maintenance and Fixed Charges	(113,630)
Additions, Improvements and Equipment	(83,110)

The net share of revenues derived from the operation of gasoline stations on the New Jersey section of the Palisades Interstate Parkway, and the unexpended balance as of June 30, 1981 from such revenues, are appropriated for maintenance.

The unexpended balances as of June 30, 1981 from police court, stands, concessions and self-sustaining activities operated or supervised by this Commission, and receipts from such activities, are appropriated.

46 Environmental Planning and Administration

99-4800	Management and Administrative Services	$2,753,055
	Total Appropriation, Environmental Planning and Administration	$2,753,055

Personal Services:		
Commissioner	(	$56,000)
Salaries and wages	(	1,604,255)
Positions transferred from other Statewide programs	(	289,391)
Materials and Supplies	(	43,375)
Services Other Than Personal	(	615,284)
Maintenance and Fixed Charges	(	34,350)
Special Purpose:		
Board of New Jersey Pilot Commissioners	(	40,400)
Intern program	(	42,500)
Liberty Park Commission	(	20,000)
Compensation awards	(	5,000)
Additions, Improvements and Equipment	(	2,500)

The amount in the Board of New Jersey Pilot Commissioners account shall be payable out of receipts, and any receipts in excess of the amounts specifically set forth above are appropriated.

The unexpended balance as of June 30, 1981 and fees deposited in the Environmental services fund (C13:1D–29 et seq.) are appropriated for the purposes of the Fund.

*

Total Appropriation, Department of Environmental Protection	$43,011,618

DEPARTMENT OF HEALTH

Physical and Mental Health

21 Health Services

02-4220	Community Health Services	$5,734,517*
03-4230	Communicable Disease Control	3,583,410
04-4240	Narcotics and Drug Abuse Control	6,544,968
05-4250	Alcoholism Control	1,737,143*
08-4280	Diagnostic Services	2,410,023
09-4290	Clinical Laboratory Services	365,593
	Total Appropriation, Health Services	$20,375,654*

Personal Services:		
Salaries and wages	(	$8,858,098)
Positions established from lump sum appropriation	(	688,763)
Positions transferred from other Statewide programs	(	38,250)
Positions converted	(	354,572)
New positions	(	149,779)
Materials and Supplies	(	1,677,683)
Services Other Than Personal	(	703,361)
Maintenance and Fixed Charges	(	383,560)
Special Purpose:		
DES program	(	50,000)
Gerontology program	(	60,000)
Grants:		
Family planning services	(	125,000)
Hemophilia services	(	621,000)
Juvenile terminal illness assistance	(	30,000)
Emergency medical services	(	65,000)
Testing for specific hereditary diseases	(	115,000)
Hospitalization and convalescent care of handicapped children	(	1,906,000)
Chronic renal disease	(	520,000)
Maternal and child health	(	50,000)
Urban rodent control program	(	50,000)
Chronic disease services	(	54,920)
Tuberculosis services	(	378,000)

Venereal disease clinics	(	40,000)
Occupational health services	(	83,080)
Community drug programs (State share)	(	1,633,043)
Vocational adjustment centers	(	95,000)
Alcoholism services	(	1,643,545*)
Mercer County Chapter, American Diabetes Association	(	*)
Additions, Improvements and Equipment	(	2,000)

The appropriation for Hospitalization and convalescent care of handicapped children shall be available for the payment of obligations applicable to prior fiscal years.

Receipts from local school districts for educational costs of children placed in the Therapeutic Residential School at Long Branch, and the unexpended balance of such receipts as of June 30, 1981, are appropriated for expenses of the School.

Receipts from third party reimbursements for drug addiction services, and the unexpended balance of such receipts as of June 30, 1981 are appropriated for the cost of implementing such reimbursement system, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as may be required for costs of operation of the Rabies control program are appropriated from the Rabies Control Fund.

Receipts from fees established by the Commissioner of Health for licensing of clinical laboratories and the unexpended balance as of June 30, 1981 of such fees are appropriated.

The Department of Health, Division of Alcoholism, Narcotic and Drug Abuse is authorized to bill a patient, or a patient's estate, or the person chargeable for his support, or the county of residence for institutional, residential and out-patient support of patients treated for alcoholism and/or drug abuse. In addition, the Department of Health

is authorized to establish the fees for this service as well as fees to be charged for training courses in alcohol and drug abuse counseling provided by the Department. Receipts derived from billings or fees pursuant to this paragraph are appropriated to the Department of Health, Division of Alcoholism, Narcotic and Drug Abuse for the support of the alcohol and drug abuse programs.

The unexpended balance as of June 30, 1981 in the Cancer registry account is appropriated.

22 Health Planning and Evaluation

06-4260	Health Facilities Evaluation	$1,059,933
07-4270	Health Planning and Resource Development	2,383,423
	Total Appropriation, Health Planning and Evaluation	$3,443,356

Personal Services:		
Salaries and wages	(	$2,329,134)
Positions established from lump sum appropriation	(	43,507)
Positions converted	(	95,799)
New positions	(	54,876)
Materials and Supplies	(	35,920)
Services Other Than Personal	(	378,550)
Maintenance and Fixed Charges	(	85,570)
Grants:		
State support for areawide planning agencies	(	30,000)
Planning and development of urban health services	(	314,000)
Health services for migrant workers	(	75,000)
Additions, Improvements and Equipment	(	1,000)

Receipts derived from fees charged for hospital rate setting, and the unexpended balance of such receipts as of June 30, 1981, are appropriated for expenses of hospital rate setting and for expenses of the Hospital Rate Setting Commission.

Receipts derived from fees charged for the review of Uniform construction code plans for health care facilities, and the unexpended balance of such receipts as of June 30, 1981, are appropriated for the cost of such review.

Receipts derived from fees charged for the Certificate of need program are appropriated for the cost of the program.

25 Health Administration

01-4215	Vital Statistics	$540,302
10-4225	Local Health and Regional Operations	465,459
99-4210	Management and Administrative Services	3,251,193*
	Total Appropriation, Health Administration	$4,256,954*

Personal Services:	
Commissioner	($56,000)
Salaries and wages	(2,934,178)
Positions established from lump sum appropriation	(6,450)
Positions converted	(94,080)
New positions	(17,093)
Materials and Supplies	(175,700)
Services Other Than Personal	(728,053)
Maintenance and Fixed Charges	(129,000)
Special Purpose:	
Compensation awards	(105,000)
Compulsive gambling	(*)
Additions, Improvements and Equipment	(11,400)

Receipts in excess of $150,000, and the unexpended balance of such receipts as of June 30, 1981, in the Vital statistics program classification are appropriated for the cost of implementing a new system for the search and issuance of vital records.

Total Appropriation, Department of Health	$28,075,964*

DEPARTMENT OF HIGHER EDUCATION

Educational, Cultural and Intellectual Development

36 Higher Educational Services

5400 Office of the Chancellor

02-5400	Support to Independent Institutions	$17,757,000
03-5400	New Jersey Educational Opportunity Fund	14,009,000
04-5400	Student Financial Support Services	39,529,000
05-5400	Student Financial Assistance Administration	2,041,123
99-5400	Management and Administrative Services	3,519,371
	Total Appropriation, Office of the Chancellor	$76,855,494

Personal Services:	
Chancellor	($56,000)
Salaries and wages	(3,015,736)
Materials and Supplies	(170,400)
Services Other Than Personal	(659,829)
Maintenance and Fixed Charges	(32,900)
Special Purpose:	
Educational Opportunity Fund Board Expenses	(2,500)
Tuition Aid Grant—Software Development	(300,629)
Board of Higher Education expenses	(7,000)
Program development	(90,000)
College information system and higher education management system	(100,000)
State and County college councils	(3,000)
Basic skills assessment program	(650,000)
Marine sciences consortium	(250,000)
Grants:	
Veterinary medicine education program	(1,065,000)
Aid to independent colleges and universities	(10,900,000)
Schools of professional nursing	(1,500,000)

Dental school aid	(3,415,000)
Optometric education	(332,000)
Einstein chair for scholarly studies at the Institute for Advanced Study	(65,000)
Graduate medical education program	(350,000)
Richard J. Hughes Chair for Constitutional and Public Law and Service at Seton Hall Univ.	(65,000)
Alfred E. Driscoll Chair in Pharmaceutical/Chemical Studies at Fairleigh Dickinson University	(65,000)
Opportunity program grants	(9,411,000)
Supplementary education program grants	(4,598,000)
Basic scholarships	(450,000)
Incentive grants	(185,000)
Veterans' tuition credit	(1,000,000)
Tuition aid grants (NJS 18A:71–42 et seq.)	(33,894,000)
Garden State scholarships	(3,600,000)
Graduate fellowships	(400,000)
Five cities project	(200,000)
Additions, Improvements and Equipment	(22,500)

An amount not to exceed $57,500 in the Aid to Independent Colleges and Universities account shall be available for administrative expenses.

For the purpose of implementing the Independent College and University Assistance Act (PL 1979, c. 132), the number of full-time equivalent students (FTE) at the eight State Colleges is 52,835 for fiscal year 1981-82.

The unexpended balances as of June 30, 1981 and other income from the Federal loan collection reimbursement program are appropriated.

The unexpended balances as of June 30, 1981 in the Special Purpose and Grant accounts, excluding the New Jersey Educational Opportunity Fund

and Student Financial Support Services accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The sums provided hereinabove and the unexpended balances as of June 30, 1981, in the Tuition Aid Grants program shall be available for payment of obligations applicable to prior fiscal years.

Notwithstanding the provisions of NJS 18A:71–47b the maximum grant level for Tuition Aid Grants awarded to eligible students in New Jersey independent colleges and universities may be $1,400.

The provisions of PL 1974, c. 356 notwithstanding, the Department of Higher Education may make payments directly to eligible veterans enrolled in approved educational institutions without prior written agreements with such institutions for participation in the program.

Of the sums hereinabove appropriated for Tuition Aid Grants not more than $1,274,000 shall be expended for out-of-state tuition aid grant awards.

5450 Thomas A. Edison State College

17-5450	Institutional Support	$1,405,400
	Total Appropriation, Thomas A. Edison State College	$1,405,400
	Personal Services:	
	Salaries and wages	($1,179,221)
	Materials and Supplies	(65,750)
	Services Other Than Personal	(142,429)
	Maintenance and Fixed Charges	(6,000)
	Additions, Improvements and Equipment	(12,000)

5500 Glassboro State College

11-5500	Instruction	$11,087,963
12-5500	Sponsored Progams and Research	75,000
13-5500	Extension and Public Service	409,000
15-5500	Academic Support	987,549

16-5500	Student Services	1,828,748
17-5500	Institutional Support	2,578,032
19-5500	Physical Plant Support Services	4,169,143
	Total Appropriation, Glassboro State College	$21,135,435

Personal Services:	
Salaries and wages	($15,560,970)
Student aides	(200,000)
Materials and Supplies	(2,491,661)
Services Other Than Personal	(1,342,464)
Maintenance and Fixed Charges	(249,835)
Special Purpose:	
Academic development	(173,000)
Separately budgeted research	(75,000)
Camden Urban Center	(409,000)
National direct student loan program (State share)	(26,383)
College work-study program (State share)	(189,768)
Compensation awards	(9,354)
Additions, Improvements and Equipment	(408,000)

5510 Jersey City State College

11-5510	Instruction	$10,944,024
12-5510	Sponsored Programs and Research	75,000
15-5510	Academic Support	1,043,843
16-5510	Student Services	1,412,540
17-5510	Institutional Support	2,230,070
19-5510	Physical Plant Support Services	3,485,913
	Total Appropriation, Jersey City State College	$19,191,390

Personal Services:	
Salaries and wages	($13,423,488)
Student aides	(205,000)
Materials and Supplies	(2,244,100)
Services Other Than Personal	(831,802)
Maintenance and Fixed Charges	(317,000)

Special Purpose:		
A. Harry Moore Laboratory School	(	1,055,000)
Academic development	(	164,000)
Separately budgeted research	(	75,000)
National direct student loan program (State share)	(	20,000)
College work-study program (State share)	(	150,000)
Athletic fields	(	80,000)
Compensation awards	(	30,000)
Additions, Improvements and Equipment	(	596,000)

All tuition and other receipts from the operation of the A. Harry Moore Laboratory School of Jersey City State College and the unexpended balances, as of June 30, 1981 of such receipts are appropriated for operating expenses of the School.

5520 Kean College of New Jersey

11-5520	Instruction	$12,033,475
12-5520	Sponsored Programs and Research	75,000
15-5520	Academic Support	1,163,269
16-5520	Student Services	1,922,149
17-5520	Institutional Support	3,131,428
19-5520	Physical Plant Support Services	4,319,479
	Total Appropriation, Kean College of New Jersey	$22,644,800

Personal Services:		
Salaries and wages	($16,935,932)	
Student aides	(	200,000)
Materials and Supplies	(	2,891,545)
Services Other Than Personal	(	1,254,484)
Maintenance and Fixed Charges	(	305,000)
Special Purpose:		
Academic development	(	228,000)
Separately budgeted research	(	75,000)
National direct student loan program (State share)	(	10,000)

College work-study program (State share)	(50,000)	
Compensation awards	(45,000)	
Additions, Improvements and Equipment	(649,839)	

5530 The William Paterson College of New Jersey

11-5530	Instruction	$13,269,715
12-5530	Sponsored Programs and Research	75,000
15-5530	Academic Support	1,171,382
16-5530	Student Services	1,822,921
17-5530	Institutional Support	2,869,832
19-5530	Physical Plant Support Services	5,135,433
	Total Appropriation, The William Paterson College of New Jersey	$24,344,283

Personal Services:		
Salaries and wages	($17,800,950)	
Student aides	(300,000)	
Materials and Supplies	(3,133,000)	
Services Other Than Personal	(1,243,333)	
Maintenance and Fixed Charges	(485,000)	
Special Purpose:		
Academic development	(242,000)	
Separately budgeted research	(75,000)	
College work-study program (State share)	(65,000)	
Compensation awards	(10,000)	
Additions, Improvements and Equipment	(990,000)	

5540 Montclair State College

11-5540	Instruction	$14,882,596
12-5540	Sponsored Programs and Research	75,000
13-5540	Extension and Public Service	390,000
15-5540	Academic Support	1,696,403
16-5540	Student Services	2,485,378
17-5540	Institutional Support	3,303,026
19-5540	Physical Plant Support Services	4,712,700
	Total Appropriation, Montclair State College	$27,545,103

Personal Services:	
Salaries and wages	($20,663,575)
Student aides	(374,500)
Materials and Supplies	(2,723,979)
Services Other Than Personal	(1,243,650)
Maintenance and Fixed Charges	(391,000)
Special Purpose:	
Academic development	(284,000)
Separately budgeted research	(75,000)
New Jersey State School of Conservation	(390,000)
National direct student loan program (State share)	(22,667)
College work-study program (State share)	(54,429)
Compensation awards	(40,000)
Additions, Improvements and Equipment	(1,282,303)

Of the amount hereinabove in the New Jersey State School of Conservation account, the sum of $390,000 shall be payable out of receipts derived from the operation of the School, and receipts in excess of the amount hereinabove and the unexpended balance of such receipts as of June 30, 1981 are appropriated.

5550 Trenton State College

11-5550	Instruction	$11,699,241
12-5550	Sponsored Programs and Research	75,000
15-5550	Academic Support	1,437,760
16-5550	Student Services	2,014,515
17-5550	Institutional Support	2,448,050
19-5550	Physical Plant Support Services	4,823,795
	Total Appropriation, Trenton State College	$22,498,361

Personal Services:	
Salaries and wages	($16,817,490)
Student aides	(255,000)
Materials and Supplies	(2,756,208)
Services Other Than Personal	(1,159,513)
Maintenance and Fixed Charges	(413,150)

Special Purpose:		
Demonstration school services	(80,000)	
Academic development	(188,000)	
Separately budgeted research	(75,000)	
Nursing loan and scholarship program	(6,000)	
National direct student loan program (State share)	(48,000)	
College work-study program (State share)	(31,000)	
Compensation awards	(50,000)	
Additions, Improvements and Equipment	(619,000)	

5560 Ramapo College of New Jersey

11-5560	Instruction	$4,279,586
12-5560	Sponsored Programs and Research	41,000
15-5560	Academic Support	746,605
16-5560	Student Services	914,542
17-5560	Institutional Support	1,642,870
19-5560	Physical Plant Support Services	2,748,562
	Total Appropriation, Ramapo College of New Jersey	$10,373,165

Personal Services:		
Salaries and wages	($7,700,789)	
Student aides	(180,000)	
Materials and Supplies	(1,417,800)	
Services Other Than Personal	(545,976)	
Maintenance and Fixed Charges	(215,100)	
Special Purpose:		
Academic development	(85,000)	
Separately budgeted research	(41,000)	
College work-study program (State share)	(50,000)	
Compensation awards	(9,000)	
Additions, Improvements and Equipment	(128,500)	

5570 Richard Stockton State College

11-5570	Instruction	$5,063,453
12-5570	Sponsored Programs and Research	70,000
15-5570	Academic Support	1,110,090
16-5570	Student Services	926,022
17-5570	Institutional Support	1,721,200
19-5570	Physical Plant Support Services	2,664,948
	Total Appropriation, Richard Stockton State College	$11,555,713

Personal Services:	
Salaries and wages	($8,357,035)
Student aides	(160,000)
Materials and Supplies	(1,654,000)
Services Other Than Personal	(634,678)
Maintenance and Fixed Charges	(228,000)
Special Purpose:	
Academic development	(116,000)
Separately budgeted research	(70,000)
National direct student loan program (State share)	(5,000)
College work-study program (State share)	(40,000)
Compensation awards	(20,000)
Additions, Improvements and Equipment	(271,000)

State College Programs

Receipts in excess of those anticipated from regular tuition are appropriated, subject to approval by the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

The expenditure of the amounts hereinabove to each State College for Academic Development shall be subject to prior approval of the Chancellor of Higher Education and the Director of Division of Budget and Accounting.

Receipts from the operation of Summer programs, Special programs (on-campus) and Extension

and public service programs (off-campus) and the unexpended balances as of June 30, 1981 of such receipts, are appropriated.

Receipts from the operation of Auxiliary services in excess of those pledged for the payment of principal and interest on bonds of this State, and the unexpended balance as of June 30, 1981 of such receipts, are appropriated (NJS 18A:64–18).

The amounts hereinabove allocated to the various State Colleges for Student aides constitute the appropriation to carry out the provisions of NJS 18A:64–17; provided, however, that payment for the value of work performed by students shall be in cash in lieu of being credited toward the payment of student charges for tuition, room and board.

Receipts from student service charges and parking fees and the unexpended balances as of June 30, 1981 of such receipts are appropriated.

Notwithstanding the provisions of NJS 18A:72A–26 et seq., no Board of Trustees of a State College shall enter into an agreement with the Educational Facilities Authority for housing facilities for students, without first securing written authorization for such agreement from the Director of the Division of Budget and Accounting.

Any transfer of appropriation from the Physical plant support services program classification to any other purpose shall be subject to the approval of the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

With respect to the transfer of funds between items of appropriation, as provided by law, the program classification accounts shall be deemed to be the primary expenditure accounts (NJS 18A:64–6f).

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Rutgers, The State University

5600 General University

11-5600	Instruction		$82,571,336
12-5600	Sponsored Programs and Research		4,063,000
13-5600	Extension and Public Service		1,608,000
14-5600	Auxiliary Services		3,836,886
15-5600	Academic Support		8,555,382
16-5600	Student Services		15,399,688
17-5600	Institutional Support		20,649,791
19-5600	Physical Plant Support Services		34,483,566
	Sub-Total, General Operations		$171,167,649
	Special Funds expense		37,000,000
	Auxiliary Funds expense		38,606,947
	Total All Operations		$246,774,596
	Less:		
	General services income	*$56,248,814*	
	Special funds income	*37,000,000*	
	Auxiliary services income	*38,606,947*	
	Total Income Deductions		*$131,855,761*
	Appropriation, Exclusive of Land Grant Interest	($114,913,035)	
	Land Grant Interest	(5,800)	
	Sub-Total Appropriation		$114,918,835
	Personal Services:		
	Salaries and wages	($127,623,576)	
	Student aides	(936,930)	
	Materials and Supplies	(17,440,854)	
	Services Other Than Personal	(13,264,940)	
	Maintenance and Fixed Charges	(1,825,894)	
	Special Purpose:		
	Research grants	(324,599)	
	Guidance of Public employees in employee-management relationships (C34:13A–1 et seq.)	(50,000)	

Graduate and law school fellowships	(	73,276)
Student aid	(	3,393,224)
College work-study program (State share)	(	539,112)
Retirement allowances	(	712,000)
Bad debt expense	(	125,000)
Special projects	(	2,000,000)
Forum in policy research and Public Service, Rutgers—Camden	(	60,000)
Additions and Improvements	(	2,798,244)
Special Funds expense	(	37,000,000)
Auxiliary Fund expense	(	38,606,947)
Less:		
General services income	*(*	*56,248,814)*
Special funds income	*(*	*37,000,000)*
Auxiliary services income	*(*	*38,606,947)*

Actual full-time and part-time undergraduate enrollment, exclusive of enrollment in Extension and Public Service programs, shall not exceed 29,619 full-time equivalent (FTE) students at Rutgers University. In the event that actual enrollment exceeds 30,211, the amount hereinabove for Rutgers, The State University, may be reduced by a sum equal to the tuition receipts collected by the University for those FTE students above 30,211, any such adjustment to occur in the last quarter of the fiscal year. An exception to this provision may be made upon approval of the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

Any transfer from Physical Plant Support Services to any other purpose shall be subject to the prior approval of the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

5620 Agricultural Experiment Station

12-5620	Research	$6,023,300
13-5620	Extension and Public Service	$3,631,991*
	Sub-Total, General Operations	$10.038,291
	Federal research and extension funds expense	3,950,000
	Special Funds expense	5,500,000
	Total All Operations	$19,488,291
	Less:	
	Federal research and extension funds income	*$3,950,090*
	Special funds income	*5,500,000*
	Total Income Deductions	*$9,450,000*
	Sub-Total Appropriation	$9,655,291*
	Personal Services:	
	Salaries and wages	($8,757,761)
	Student aides	(115,330)
	Materials and Supplies	(271,289)
	Services Other Than Personal	(359,268)
	Maintenance and Fixed Charges	(44,108)
	Special Purpose:	
	Federal research and extension funds expense	(3,950,000)
	Special funds expense	(5,500,000)
	Emergency renovations	(*)
	Additions and Improvements	(107,535)
	Less:	
	Federal research and extension funds income	*(3,950,000)*
	Special funds income	*(5,500,000)*
	Total Appropriation, Rutgers, The State University	$124,957,126

5630 College of Medicine and Dentistry of New Jersey

Instruction	($40,687,678)	
Sponsored Programs and Research	(17,620,097)	
Extension and Public Service	(68,163,945)	
Auxiliary Services	(1,301,253)	
Academic Support	(1,020,197)	
Student Services	(1,181,281)	
Institutional Support	(11,705,417)	
Physical Plant Support Services	(22,887,633)	
Total All Operations	($164,567,501)	
Less:		
Total Income Deductions	*($88,665,114)*	

17950 Central Administration

All Operations	$5,659,126	
Less:		
Special Services Income	*$150,000*	
Sub-Total Appropriation, Central Administration		$5,509,126

17951 Collegewide Programs

All Operations	$3,777,769	
Less:		
General Services Income	*$432,872*	
Special Services Income	*800,000*	
Sub-Total, Collegewide Programs		$2,544,897

17952 Physical Plant Support Services

Educational Units	$13,045,951	
Hospitals	9,841,682	
Sub-Total Appropriation, Physical Plant Support Services		$22,887,633

17953 New Jersey Medical School

All Operations	$22,346,402	
Less:		
General Services Income	*$4,528,150*	
Special Services Income	*6,000,000*	
Auxiliary Services Income	*522,643*	
Sub-Total Appropriation, New Jersey Medical School		$11,295,609

17954 Rutgers Medical School, Piscataway

All Operations	$21,537,668	
Less:		
General Services Income	*$2,971,350*	
Special Services Income	*6,857,058*	
Auxiliary Services Income	*160,610*	
Sub-Total Appropriation, Rutgers Medical School, Piscataway		$11,548,650

17955 Rutgers Medical School, South Jersey

All Operations	$1,193,961	
Less:		
General Services Income	*$99,950*	
Sub-Total Appropriation, Rutgers Medical School, South Jersey		$1,019,011*

17956 New Jersey School of Osteopathic Medicine

All Operations	$6,670,882	
Less:		
General Services Income	*$762,800*	
Special Services Income	*1,480,000*	
Sub-Total Appropriation, New Jersey School of Osteopathic Medicine		$4,203,082*

17957 New Jersey Dental School

All Operations	$6,977,769	
Less:		
General Services Income	*$2,404,840*	
Special Services Income	*270,000*	
Sub-Total Appropriation, New Jersey Dental School		$4,302,929

17958 Graduate School of Biomedical Sciences

All Operations	$1,281,152	
Less:		
General Services Income	*$133,794*	
Special Services Income	*75,000*	
Sub-Total Appropriation, Graduate School of Biomedical Sciences		$1,072,358

17959 School of Allied Health Professions

All Operations	$1,916,545	
Less:		
General Services Income	*$266,309*	
Special Services Income	*451,390*	
Sub-Total Appropriation, School of Allied Health Professions		$1,198,846

17960 College Hospital

All Operations	$60,142,061	
Less:		
Hospital Services Income	*$47,967,166*	
Special Services Income	*1,536,649*	
Auxiliary Services Income	*618,000*	
Sub-Total Appropriation, College Hospital		$10,020,246

17962 Rutgers Medical School Community Mental Health Center

All Operations	$7,002,242	
Less:		
Patient Services Income	*$2,200,000*	
Federal Distress Grant	*147,621*	
Department of Human Services	*4,654,621*	
Sub-Total Appropriation, Rutgers Medical School Community Mental Health Center		$0

17963 New Jersey Medical School Community Mental Health Center

All Operations	$3,174,291	
Less:		
Patient Service Income	*$699,322*	
Federal Distress Grant	.....	
Department of Human Services	*2,474,969*	
Sub-Total Appropriation, New Jersey Medical School Community Mental Health Center		$0
Total Appropriation, College of Medicine and Dentistry of New Jersey		$75,602,387*

Personal Services:	
Salaries and wages	($95,044,275)
New positions	(1,626,816)
Materials and Supplies	(23,584,217)
Services Other Than Personal	(10,723,338)
Maintenance and Fixed Charges	(1,318,151)
Special Purpose:	
Central Administration	
Board of Trustees planning fund	(14,780)
Collegewide	
Student aid	(383,675)
College Hospital	
Pension and workers' compensation	(668,786)

Research under contract with the Institute of Medical Research, Camden ..... (388,977)
Expanded enrollment, Rutgers Medical School, South Jersey .... (170,000*)
Expanded enrollment, New Jersey School of Osteopathic Medicine .. (430,000*)
Additions, Improvements and Equipment ..... (816,603)
Special Funds expense ..... (17,620,097)
Auxiliary Fund expense ..... (1,301,253)
Rutgers Medical School Community Mental Health Center ..... (7,002,242)
New Jersey Medical School Community Mental Health Center.. (3,174,291)

Less:

General Service Income ..... ($11,600,065)
Special Service Income ..... (17,620,097)
Auxiliary Service Income ..... (1,301,253)
Hospital Service Income ..... (47,967,166)
Rutgers Medical School Community Mental Health Center Income .... (7,002,242)
New Jersey Medical School Community Mental Health Center Income (3,174,291)

All General services income or Hospital services income in excess of the amounts hereinabove as income deductions, shall be credited to the General Fund and such excess income be appropriated therefrom for service improvements during fiscal year 1981-82 and the subsequent fiscal year in the several component units of the College of Medicine and Dentistry of New Jersey, upon the request of the Board of Trustees thereof, subject to the approval of the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

The College of Medicine and Dentistry of New Jersey is hereby authorized to operate its continuing medical-dental education program as a revolving fund and the revenue collected therefrom, and any unexpended balance therein, be retained for such fund.

5640 New Jersey Institute of Technology

11-5640	Instruction	$10,838,885
12-5640	Sponsored Programs and Research	550,000
13-5640	Extension and Public Service	549,000
14-5640	Auxiliary Services	1,600,000
15-5640	Academic Support	1,851,906
16-5640	Student Services	1,504,866
17-5640	Institutional Support	3,645,380
19-5640	Physical Plant Support Services	3,835,343
	Total, All Operations	$24,375,380
Less:		
	General services income *$6,267,146*	
	Auxiliary services income *1,600,000*	
	Total Income Deductions	*7,867,146*
	Total Appropriation	$16,508,234

Personal Services:		
Salaries and wages	($14,405,478)	
Student aides	(200,000)	
Positions converted	(326,993)	
Materials and Supplies	(2,241,822)	
Services Other Than Personal	(2,052,855)	
Maintenance and Fixed Charges	(334,008)	
Special Purpose:		
Academic development	(470,000)	
Separately budgeted research	(447,000)	
Student activities	(85,000)	
Scholarships, grants, fellowships	(120,000)	
Board of Trustees	(5,000)	
Fringe benefits/Retirement allowances	(900,000)	
Additions, Improvements and Equipment	(1,187,224)	
Auxiliary Fund expenses	(1,600,000)	
Less:		
General services income	*(6,267,146)*	
Auxiliary services income	*(1,600,000)*	

Actual full-time and part-time undergraduate enrollments, exclusive of enrollment in Extension and Public Service programs, shall not exceed 4,045 full-time equivalent (FTE) students at the New Jersey Institute of Technology. In the event that actual enrollments exceed 4,125, the amount appropriated hereinabove for New Jersey Institute of Technology may be reduced by a sum equal to the tuition receipts collected by the Institute for those full-time equivalent students above 4,125; any such adjustment to occur in the last quarter of the fiscal year. An exception to this provision may be made upon approval of the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

The amount hereinabove shall be made available, subject to the execution of a contract for the purchase of educational services between the Board of Higher Education and the Board of Trustees of Schools for Industrial Education of Newark, New Jersey (NJS 18A:3–14q).

Any transfer from Physical Plant Support Services to any other purpose shall be subject to the prior approval of the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

Total Appropriation, Department of Higher Education $454,233,891*

All expenditures for data processing services, equipment and software from sources other than the New Jersey Education Computing Network (NJECN) shall be subject to approval by the Director of the Division of Budget and Accounting.

Of the amount hereinabove for the Department of Higher Education, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule below first shall be charged to the State Lottery Fund:

Veterinary medicine education	($1,065,000)
Optometric education	(332,000)
Aid to independent colleges and universities	(10,900,000)
Schools of professional nursing	(1,500,000)
Dental school aid	(3,415,000)

DEPARTMENT OF HUMAN SERVICES

Physical and Mental Health

23 Mental Health Services

7700 Division of Mental Health and Hospitals

08-7700	Community Services	$19,524,023
99-7700	Management and Administrative Services	2,554,702
	Total Appropriation, Division of Mental Health and Hospitals	$22,078,725

Personal Services:	
Salaries and wages	($1,884,636)
Materials and Supplies	(73,600)
Services Other Than Personal	(394,173)
Maintenance and Fixed Charges	(83,240)
Special Purpose:	
Social service initiatives (State share)	(250,000)
Community mental health screening units	(1,197,516)
Independent psychiatric evaluation and legal representation for indigent patients	(67,264)
Statistical information system	(151,062)
Compensation awards	(1,002,386)
Grants:	
Community care	(9,795,158)
Community Mental Health Center, College of Medicine and Dentistry, Newark	(2,474,969)
Community Mental Health Center, College of Medicine and Dentistry, Rutgers	(4,654,621)

Additions, Improvements and Equipment ..... (50,100)

The unexpended balance as of June 30, 1981, not to exceed $538,843, in the Community Services account is appropriated.

A portion of the funds in the Community care account, not to exceed $500,000, shall be available for administration of community services, including the Community care program.

Federal and other funds received or receivable for the operation of community mental health centers at the New Jersey Medical School and Rutgers Medical School shall be available to the College of Medicine and Dentistry of New Jersey for the operation of the centers.

The unexpended balance as of June 30, 1981 of the receipts representing the Federal share of reimbursements to institutions for the mentally ill for expenses under the Medicaid Program for persons between 21 and 64 are appropriated for regaining and maintaining accreditation at the several state psychiatric hospitals subject to the approval of the Director of the Division of Budget and Accounting.

As the patient census at Trenton and Greystone psychiatric hospitals declines, those budgeted positions and appropriated salaries in excess of those required to staff these facilities, as indicated by the Joint Study Group on Hospital Staffing, shall be transferred to the Division of Mental Health and Hospitals. The Division shall transfer such budgeted positions and appropriated salaries to Marlboro and Ancora psychiatric hospitals in order for them to comply with the staffing recommended by the Joint Study Group. This shall be done in accordance with a timetable established by the Division of Mental Health and Hospitals.

7710 Greystone Park Psychiatric Hospital

09-7710	Outpatient and Community Services	$122,438
10-7710	Inpatient Care and Health Services	17,950,263
98-7710	Physical Plant and Support Services	7,177,097
99-7710	Management and Administrative Services	4,068,282
	Total Appropriation, Greystone Park Psychiatric Hospital	$29,318,080

Personal Services:		
Salaries and wages	($22,136,010)	
Positions established from lump sum appropriation	(28,579)	
Food in lieu of cash	(91,972)	
Materials and Supplies	(5,477,804)	
Services Other Than Personal	(577,331)	
Maintenance and Fixed Charges	(416,052)	
Special Purpose:		
Interim assistance	(68,132)	
Computerized menu planning	(39,320)	
Additions, Improvements and Equipment	(482,880)	

7720 Trenton Psychiatric Hospital

09-7720	Outpatient and Community Services	$298,809
10-7720	Inpatient Care and Health Services	19,888,334
98-7720	Physical Plant and Support Services	6,497,540
99-7720	Management and Administrative Services	3,567,225
	Total Appropriation, Trenton Psychiatric Hospital	$30,251,908

Personal Services:		
Salaries and wages	($22,846,463)	
Positions established from lump sum appropriation	(32,951)	
Food in lieu of cash	(37,670)	
Materials and Supplies	(5,162,160)	
Services Other Than Personal	(795,296)	
Maintenance and Fixed Charges	(469,348)	

Special Purpose:		
Interim assistance	(134,600)	
Computerized menu planning	(39,320)	
Additions, Improvements and Equipment	(734,100)	

7730 Marlboro Psychiatric Hospital

09-7730	Outpatient and Community Services	$328,825
10-7730	Inpatient Care and Health Services	13,910,847
98-7730	Physical Plant and Support Services	3,966,114
99-7730	Management and Administrative Services	3,763,809
	Total Appropriation, Marlboro Psychiatric Hospital	$21,969,595

Personal Services:		
Salaries and wages	($16,616,325)	
Positions established from lump sum appropriation	(26,754)	
Positions converted	(350,000)	
Food in lieu of cash	(27,620)	
Materials and Supplies	(3,418,843)	
Services Other Than Personal	(617,952)	
Maintenance and Fixed Charges	(320,626)	
Special Purpose:		
Interim assistance	(148,025)	
Vocational rehabilitation training program	(96,800)	
Computerized menu planning	(18,000)	
Additions, Improvements and Equipment	(328,650)	

7740 Ancora Psychiatric Hospital

09-7740	Outpatient and Community Services	$297,360
10-7740	Inpatient Care and Health Services	15,263,268
98-7740	Physical Plant and Support Services	3,866,447
99-7740	Management and Administrative Services	4,119,759
	Total Appropriation, Ancora Psychiatric Hospital	$23,546,834

To provide pharmacists with a thirty*-cent per prescription increase in the PAA dispensing fee (1,470,000*)

Additions, Improvements and Equipment ..... (25,000)

The amounts hereinabove for Pharmaceutical assistance to the aged—claims shall be available for the payment of obligations applicable to prior fiscal years.

The unexpended balance as of June 30, 1981 in the Pharmaceutical Assistance to the Aged claims account, not to exceed $1,500,000, is appropriated for the same purpose.

Notwithstanding the provisions of C30:4D–3i(7) the Division shall comply with the provisions of P.L. 96–611 which denies Medicaid eligibility for twenty-four months to persons who divest themselves of their assets in order to obtain Medicaid benefits.

Notwithstanding any State law to the contrary, any private health insurance carrier writing health insurance policies in the State shall permit the Division of Medical Assistance and Health Services to match its Medicaid eligibility file against any private health insurance carrier's policyholder file.

Educational, Cultural and Intellectual Development

32 Operation and Support of Educational Institutions

7600 Division of Mental Retardation

01-7600	Purchased Residential Care	$10,218,252
02-7600	Social Supervision and Consultation	1,584,982
03-7600	Adult Activities	3,807,826
04-7600	Education and Day Training	3,921,658
99-7600	Management and Administrative Services	4,661,645
	Total Appropriation, Division of Mental Retardation	$24,194,363

Personal Services:		
Salaries and wages	(	$3,116,060)
Materials and Supplies	(	639,240)
Services Other Than Personal	(	416,079)
Maintenance and Fixed Charges	(	1,826,856)
Special Purpose:		
Family care	(	289,018)
Homemaker services (State share)	(	134,619)
Social services (State share)	(	200,339)
Adult activities	(	1,767,013)
Social services (State share)	(	990,000)
Green Brook Regional Center	(	1,900,000)
Foster grandparents program (State share)	(	307,470)
Developmental disabilities services	(	275,006)
Dental program for non-institutionalized mentally retarded and handicapped children	(	102,999)
Patient employees	(	317,999)
Social services (State share)	(	527,924)
Compensation awards	(	640,440)
Grants:		
Purchase of residential care	(	9,209,210)
Skill development homes	(	529,000)
Purchase of day training services	(	1,005,091)

The sum hereinabove for Purchase of residential care shall be available for the payment of obligations applicable to prior fiscal years.

None of the funds for Developmental disability services shall be expended without non-State matching funds.

The Division of Mental Retardation is hereby authorized to transfer funds from the Dental program for non-institutionalized mentally retarded and handicapped children account to the Division of Medical Assistance, in proportion to the number of program participants who are Medicaid eligible.

Excess State funds realized by Federal involvement through Medicaid in the Dental program for non-institutionalized mentally retarded and handicapped children may be committed for the program's support during the subsequent fiscal year, rather than for expansion.

Of the amount hereinabove for the Division of Mental Retardation, not less than $93,000 shall be allocated to Middlesex County Resources for the Mentally Handicapped.

Notwithstanding the provisions of any law to the contrary, the unexpended balances as of June 30, 1981 in the tuition receipt accounts established pursuant to P.L. 1979, c. 207 in the various departments, are appropriated for education related transportation costs (day training) in the Division of Mental Retardation in such amounts as the Director of the Division of Budget and Accounting shall determine to be necessary; provided, however, that such amounts shall not be in excess of $2,200,000.

7620 Vineland State School

05-7620	Residential Care and Habilitation	$10,296,641
06-7620	Health Services	3,621,115
07-7620	Education and Training	397,333
98-7620	Physical Plant and Support Services	4,249,783
99-7620	Management and Administrative Services	4,675,108
	Total Appropriation, Vineland State School	$23,239,980

Personal Services:	
Salaries and wages	($17,414,948)
Food in lieu of cash	(26,621)
Materials and Supplies	(4,477,314)
Services Other Than Personal	(567,662)
Maintenance and Fixed Charges	(194,515)
Special Purpose:	
Family care	(5,500)
Computerized menu planning	(39,320)
Additions, Improvements and Equipment	(514,100)

7630 North Jersey Training School at Totowa

05-7630	Residential Care and Habilitation	$4,825,938
06-7630	Health Services	1,259,601
07-7630	Education and Training	273,160
98-7630	Physical Plant and Support Services	2,276,332
99-7630	Management and Administrative Services	2,480,886
	Total Appropriation, North Jersey Training School at Totowa	$11,115,917

Personal Services:	
Salaries and wages	($8,209,617)
Food in lieu of cash	(14,023)
Materials and Supplies	(2,108,146)
Services Other Than Personal	(358,521)
Maintenance and Fixed Charges	(136,290)
Special Purpose:	
Computerized menu planning	(39,320)
Additions, Improvements and Equipment	(250,000)

7640 Woodbine State School

05-7640	Residential Care and Habilitation	$6,064,333
06-7640	Health Services	1,670,381
07-7640	Education and Training	107,639
98-7640	Physical Plant and Support Services	2,319,428
99-7640	Management and Administrative Services	2,452,118
	Total Appropriation, Woodbine State School	$12,613,899

Personal Services:	
Salaries and wages	($9,661,754)
Food in lieu of cash	(29,568)
Materials and Supplies	(2,316,329)
Services Other Than Personal	(273,128)
Maintenance and Fixed Charges	(130,120)
Special Purpose:	
Computerized menu planning	(18,000)
Additions, Improvements and Equipment	(185,000)

7650 New Lisbon State School

05-7650	Residential Care and Habilitation	$5,460,098
06-7650	Health Services	1,148,432
07-7650	Education and Training	369,903
98-7650	Physical Plant and Support Services	2,343,804
99-7650	Management and Administrative Services	2,525,705
	Total Appropriation, New Lisbon State School	$11,847,942

Personal Services:	
Salaries and wages	($8,666,769)
Food in lieu of cash	(11,968)
Materials and Supplies	(2,517,313)
Services Other Than Personal	(262,732)
Maintenance and Fixed Charges	(141,160)
Special Purpose:	
Computerized menu planning	(18,000)
Additions, Improvements and Equipment	(230,000)

7660 Woodbridge State School

05-7660	Residential Care and Habilitation	$6,244,652
06-7660	Health Services	2,413,193
07-7660	Education and Training	161,338
98-7660	Physical Plant and Support Services	3,711,453
99-7660	Management and Administrative Services	2,323,188
	Total Appropriation, Woodbridge State School	$14,853,824

Personal Services:	
Salaries and wages	($10,629,934)
Food in lieu of cash	(10,384)
Materials and Supplies	(3,414,183)
Services Other Than Personal	(296,163)
Maintenance and Fixed Charges	(175,160)
Special Purpose:	
Computerized menu planning	(18,000)
Additions, Improvements and Equipment	(310,000)

7670 Hunterdon State School

05-7670	Residential Care and Habilitation	$7,097,945
06-7670	Health Services	2,737,465
07-7670	Education and Training	154,017
98-7670	Physical Plant and Support Services	2,937,679
99-7670	Management and Administrative Services	2,649,898
	Total Appropriation, Hunterdon State School	$15,577,004
	Personal Services:	
	Salaries and wages	($11,867,817)
	Food in lieu of cash	(1,408)
	Materials and Supplies	(2,932,380)
	Services Other Than Personal	(529,019)
	Maintenance and Fixed Charges	(162,060)
	Special Purpose:	
	Computerized menu planning	(39,320)
	Additions, Improvements and Equipment	(45,000)

7680 Edward R. Johnstone Training and Research Center

05-7680	Residential Care and Habilitation	$2,103,456
06-7680	Health Services	500,715
07-7680	Education and Training	450,238
25-7680	Research	201,616
98-7680	Physical Plant and Support Services	1,482,679
99-7680	Management and Administrative Services	1,259,357
	Total Appropriation, Edward R. Johnstone Training and Research Center	$5,998,061
	Personal Services:	
	Salaries and wages	($4,581,249)
	Food in lieu of cash	(10,356)
	Materials and Supplies	(1,120,586)
	Services Other Than Personal	(96,130)
	Maintenance and Fixed Charges	(93,620)
	Special Purpose:	
	Computerized menu planning	(18,000)
	Additions, Improvements and Equipment	(78,120)

7690 New Jersey Neuropsychiatric Institute

05-7690	Residential Care and Habilitation	$4,827,715
06-7690	Health Services	1,864,307
07-7690	Education and Training	39,384
98-7690	Physical Plant and Support Services	3,118,902
99-7690	Management and Administrative Services	2,782,935
	Total Appropriation, New Jersey Neuropsychiatric Institute	$12,633,243

Personal Services:		
Salaries and wages	(	$9,565,607)
Food in lieu of cash	(	12,175)
Materials and Supplies	(	2,341,664)
Services Other Than Personal	(	319,177)
Maintenance and Fixed Charges	(	176,620)
Special Purpose:		
Computerized menu planning	(	18,000)
Additions, Improvements and Equipment	(	200,000)

Division of Mental Retardation

Receipts representing reimbursements to the institutions for the mentally retarded and the Purchased residential care program for eligible expenses under the Intermediate care facility—Mental retardation (ICF-MR) program are appropriated, as the Director of the Division of Budget and Accounting shall determine, to the Division of Mental Retardation for allocation to the several institutions included within that Division and for other related program and administrative costs required to meet compliance plan commitments so as to enable the continuance of the reimbursements and to qualify additional institutional and purchased residential care facilities for the ICF-MR program.

In addition to the amount hereinabove for Operation and Support of Educational Institutions of the Division of Mental Retardation, such other sums as the Director of the Division of Budget and

Accounting shall determine, provided in interdepartmental accounts for employee benefits, be considered as appropriated on behalf of institutions for the mentally retarded and available for matching Federal funds.

33 Supplemental Education and Training Programs

7560 Commission for the Blind and Visually Impaired

11-7560	Habilitation and Rehabilitation	$2,095,624
12-7560	Instruction and Community Programs	2,003,740
99-7560	Management and Administrative Services	636,750
	Total Appropriation, Commission for the Blind and Visually Impaired	$4,736,114

Personal Services:		
Salaries and wages	($2,367,613)	
New positions	(137,694)	
Materials and Supplies	(79,341)	
Services Other Than Personal	(386,591)	
Maintenance and Fixed Charges	(51,820)	
Special Purpose:		
Compensation awards	(1,595)	
Grants:		
Services to rehabilitation clients	(525,000)	
Educational services for children	(1,155,000)	
Additions, Improvements and Equipment	(31,460)	

Economic Planning, Development and Security

53 Economic Assistance and Security

7550 Division of Public Welfare

13-7550	Fiscal Control	$3,126,405
14-7550	Quality Control	939,457
15-7550	Income Maintenance	1,540,278
99-7550	Management and Administrative Services	2,304,530
	Total Appropriation, Division of Public Welfare	$7,910,670

Personal Services:	
Salaries and wages	($4,225,277)
Materials and Supplies	(45,055)
Services Other Than Personal	(2,215,539)
Maintenance and Fixed Charges	(224,065)
Special Purpose:	
Development and implementation of income maintenance information system	(1,197,984)
Additions, Improvements and Equipment	(2,750)

The unexpended balance as of June 30, 1981 in the Development and implementation of income maintenance information system is appropriated.

Receipts derived from counties and local governments for data processing services, in addition to the unexpended balances of such receipts, as of June 30, 1981 are appropriated.

The Division of Public Welfare shall finalize and publish such data as is necessary to administer the various public assistance programs within 90 days after the end of the report month.*

The Division of Public Welfare shall develop a plan for the phased implementation of monthly reporting for certain types of cases at all county welfare agencies and present such plan to the Joint Appropriations Committee and standing reference committees by December 1, 1981. Such report shall contain both a timetable when county welfare agencies are to be on monthly reporting, the administrative costs of monthly reporting to the Division and counties, and the estimated savings to the State and counties to be realized by monthly reporting.

55 Related Social Services Programs

7570 Division of Youth and Family Services

16-7570	Community Family Services	$5,563,588
17-7570	Residential Services	5,750,656
18-7570	Social Services	18,935,832
99-7570	Management and Administrative Services	7,569,026
	Total Appropriation, Division of Youth and Family Services	$37,819,102

Personal Services:		
Salaries and wages	($22,648,058)	
Food in lieu of cash	(6,156)	
Materials and Supplies	(492,138)	
Services Other Than Personal	(1,518,215)	
Maintenance and Fixed Charges	(725,373)	
Special Purpose:		
Community day care (State share)	(5,063,588)	
Facilities for autistic children	(367,680)	
Youth facilities aid program	(362,360)	
Expanded social services	(4,200,000)	
Judicial determinations	(1,000,000)	
Social service initiatives	(318,000)	
Adoption services for institutional children	(160,000)	
Permanency planning project	(131,000)	
Contract auditing	(300,000)	
Compensation awards	(6,534)	
Work incentive program (State share)	(500,000)	
Grants:		
Grants to Providence house shelter	20,000)	

The amount hereinabove for Community Day Care (State share) shall be made available on the basis of up to 100% funding of the non-Federal share to those centers in which either the State financed the non-Federal share, or were State operated in fiscal year 1980-81, and on the basis of up to 30% of the non-Federal share for other centers providing community day care services under contract with

the Department of Human Services, with the exception of those centers which because of the newly implemented fee schedule may require additional State funding for the non-Federal share of those services.

The unexpended balance as of June 30, 1981, in excess of $2.2 million, in the Federal Title IV-B account is appropriated.

The amount hereinabove may be reduced by the amount of additional Federal Title XX Funds which become available in FY 1982 because of an increase in the amount appropriated for Title XX nationally above the current appropriation level of $2.9 billion, as the Director, Division of Budget and Accounting shall determine.

The amount hereinabove for the Work Incentive Program (State share) account shall be appropriated out of the Unemployment Compensation Auxiliary Fund.

Government Direction, Management and Control

76 Management and Administration

7500 Division of Management and Budget

99-7500	Management and Administrative Services	$5,401,975
	Total Appropriation, Division of Management and Budget	$5,401,975

Personal Services:

Commissioner	($56,000)
Salaries and wages	(3,442,562)
Positions established from lump sum appropriation	(95,824)
Positions transferred from other agencies	(361,905)
Positions converted	(86,988)
Materials and Supplies	(45,405)
Services Other Than Personal	(706,657)
Maintenance and Fixed Charges	(124,655)

Special Purpose:

Information systems development	(150,000)
Nursing scholarship program	(270,000)
Computerized menu planning	(39,000)
Crisis intervention/patients' rights staff training	(14,479)
Compensation awards	(8,500)

The Director of the Division of Budget and Accounting is hereby empowered to transfer or credit to the Data Processing Center of this Department from the various appropriations made to any department for data processing costs which are appropriated or allocated to such departments for their share of such costs.

*

The annual State plan for implementing Title XX of the Social Security Act shall be submitted to the Legislature at least 120 days prior to its implementation date. Such plan shall also provide a comparison of expenditure plans in the upcoming year and the current year and shall provide an accounting of expenditures by source in the prior fiscal year.

An amount not to exceed $75,000 is appropriated from the Federal share of any recoveries of retroactive claims for the purpose of acquiring services necessary to document and support retroactive claims.

Special Government Services

83 Services to Veterans

7520 Division of Veterans' Services

19-7520	Management and Field Services	$727,052
	Total Appropriation, Division of Veterans' Services	$727,052

Personal Services:

Salaries and wages	($421,202)
Materials and Supplies	(4,470)
Services Other Than Personal	(15,120)
Maintenance and Fixed Charges	(12,260)

Grants:
Veterans' orphans' fund—education grants ..... (40,000)
Blind orphans' allowance ..... (60,000)
Paraplegic and hemiplegic veterans allowances ..... (170,000)
Additions, Improvements and Equipment ..... (4,000)

The unexpended balance as of June 30, 1981 in the Agent Orange Commission account is appropriated.

7525 New Jersey Memorial Home for Disabled Soldiers at Menlo Park

20-7525	Domiciliary and Treatment Services	$3,620,764
98-7525	Physical Plant and Support Services	906,333
99-7525	Management and Administrative Services	804,180
	Total Appropriation, New Jersey Memorial Home for Disabled Soldiers at Menlo Park	$5,331,277

Personal Services:
Salaries and wages ..... ($3,539,869)
Positions established from lump sum appropriation ..... (243,228)
New positions ..... (352,710)
Food in lieu of cash ..... (15,646)
Materials and Supplies ..... (862,304)
Services Other Than Personal ..... (132,739)
Maintenance and Fixed Charges .... (40,961)

Special Purpose:
Computerized menu planning ..... (39,320)
Compensation awards ..... (35,000)
Additions, Improvements and Equipment ..... (69,500)

None of the amount hereinabove for the New Jersey Memorial Home for Disabled Soldiers at Menlo Park shall be expended for cleaning and food services provided by inmates from the State Prison, Rahway.

7530 New Jersey Memorial Home for Disabled Soldiers at Vineland

20-7530	Domiciliary and Treatment Services	$3,485,168
98-7530	Physical Plant and Support Services	1,322,520
99-7530	Management and Administrative Services	740,278
	Total Appropriation, New Jersey Memorial Home for Disabled Soldiers at Vineland ..	$5,547,966

Personal Services:		
Salaries and wages	($4,123,520)	
New positions	(132,620)	
Food in lieu of cash	(9,396)	
Materials and Supplies	(914,188)	
Services Other Than Personal	(125,471)	
Maintenance and Fixed Charges	(39,601)	
Special Purpose:		
Computerized menu planning	(39,320)	
Compensation awards	(30,000)	
Additions, Improvements and Equipment	(133,850)	
Total Appropriation, Department of Human Services		$387,358,316*

Balances on hand as of June 30, 1981 of funds held for the benefit of patients in the several institutions, and such funds as may be received, are appropriated for the use of such patients.

Revenues representing receipts to the General Fund from charges to Residents' trust accounts for maintenance costs are appropriated for use as personal needs allowances for patients/residents who have no other source of funds for such purposes; provided, however, that the allowance shall not exceed $25.00 per month for any eligible resident of an institution and provided further, that the total amount herein for such allowances shall not exceed $854,000.

Funds received from the sale of articles made in occupational therapy departments of the several institutions are appropriated for the purchase of additional material and other expenses incidental to such sale or manufacture.

Of the amount hereinabove for the Department of Human Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule below shall first be charged to the State Lottery Fund:

Operation of State psychiatric hospitals	($57,712,721)
Operation of schools for the mentally retarded	(63,879,870)
Operation of homes for disabled veterans	(6,954,024)

DEPARTMENT OF INSURANCE

Economic Planning, Development and Security

52 Economic Regulation

01-3110	Licensing and Enforcement	$2,217,892
02-3120	Actuarial Services	1,269,831
03-3130	Regulation of the Real Estate Industry	736,170
99-3150	Management and Administrative Services	1,214,815
	Total Appropriation, Economic Regulation	$5,438,708

Personal Services:	
Commissioner	($56,000)
Salaries and wages	(4,221,942)
New positions	(100,000)
Materials and Supplies	(130,000)
Services Other Than Personal	(807,916)
Maintenance and Fixed Charges	(59,350)
Special Purpose:	
Language simplification	(31,000)
Compensation awards	(15,000)
Additions, Improvements and Equipment	(17,500)

Such sums as may be necessary to pay claims are appropriated from the Real Estate Guaranty Fund.

Receipts from the investigation of out-of-State land sales are appropriated for the conduct of such investigations.

There are appropriated from receipts, to defray the expenses of the Committee on Valuation of Securities of the National Association of Insurance Commissioners, a sum in accordance with the limitations of C17:24–13.

Receipts derived from fines and penalties, in excess of $40,000, are appropriated to the Department for the sole purpose of defraying the cost of conducting investigations.

Total Appropriation, Department of Insurance	$5,438,708

Notwithstanding any State law to the contrary, any private health insurance carrier writing health insurance policies in the State shall permit the Division of Medical Assistance and Health Services to match its Medicaid eligibility file against any private health insurance carrier's policyholder file.

DEPARTMENT OF LABOR

Economic Planning, Development and Security

51 Economic Planning and Development

18-4570	Planning and Research	$567,109
99-4565	Management and Administrative Services	808,560
	Total Appropriation, Economic Planning and Development	$1,375,669

Personal Services:		
Commissioner	(	$56,000)
Salaries and wages	(	896,528)
New positions	(	67,287)
Materials and Supplies	(	5,000)
Services Other Than Personal	(	170,130)
Maintenance and Fixed Charges	(	13,325)
Special Purpose:		
Statistical reporting (State share)	(	65,549)
Census information center	(	99,500)
Additions, Improvements and Equipment	(	2,350)

There are appropriated as a revolving fund, the receipts derived from services rendered by the Public Service Data Processing Center, and the unexpended balance of such receipts, as of June 30, 1981, for the purpose of operating the Public Service Data Processing Center, including replacement of and purchase of additional data processing equipment.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Public Service Data Processing Center, from appropriations made to various departments for data processing, funds representing their share of such costs.

52 Economic Regulation

11-4550	Promulgation and Licensing of Workplace Standards	$424,363
12-4550	Enforcement of Workplace Standards	2,749,994
	Total Appropriation, Economic Regulation	$3,174,357

Personal Services:		
Salaries and wages	(	$2,582,117)
New positions	(	29,172)
Materials and Supplies	(	38,980)
Services Other Than Personal	(	272,900)
Maintenance and Fixed Charges	(	101,400)
Special Purpose:		
Carnival-Amusement ride safety advisory board	(	1,650)
On-site consultation (State share)	(	85,000)
Mine safety training act (State share)	(	36,906)
Compensation awards	(	8,632)
Additions, Improvements and Equipment	(	17,600)

There are appropriated out of the Wage and Hour Trust Fund and the Prevailing Wage Act Trust Fund such sums as may be necessary for payments.

Receipts in excess of those anticipated from fees charged by the Division of Workplace Standards and the unexpended balance as of June 30, 1981 of such fees are appropriated.

53 Economic Assistance and Security

01-4510	Unemployment Insurance	$300,000
03-4520	State Disability Insurance Plan	3,863,372
04-4520	Private Disability Insurance Plan	1,618,130
05-4525	Workers' Compensation	3,271,372
06-4530	Special Compensation Fund	704,084
	Total Appropriation, Economic Assistance and Security	$9,756,958

Personal Services:	
Salaries and wages	($7,681,812)
Materials and Supplies	(184,105)
Services Other Than Personal	(1,249,830)
Maintenance and Fixed Charges	(321,611)
Special Purpose:	
Administration of the Wage Reporting Act (PL 1980, c. 48)	(300,000)
Compensation awards	(12,100)
Additions, Improvements and Equipment	(7,500)

The amounts hereinabove for State Disability Insurance Plan and Private Disability Insurance Plan shall be payable out of the State Disability Benefits Fund and, in addition to the amounts hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer the Disability Insurance Program and such sums as may be necessary to pay disability benefits.

Notwithstanding the $12,500 limitation (RS 34:15–95), the amount hereinabove for Special Compensation Fund shall be payable out of such Fund and, in addition to the amounts hereinabove, there are appropriated out of the Special Compensation Fund such additional sums as may be

required for costs of administration and beneficiary payments.

The State Treasurer is empowered and directed to transfer to the General Fund the sum of $50,000 from the excess in the Special Compensation Fund over the sum of $1,250,000 accumulated as of June 30, 1981 (RS 34:15-94).

54 Manpower and Employment Services

07-4535	Vocational Rehabilitation Services	$8,014,191
08-4540	Work Incentive Program	750,000
16-4555	Public Sector Labor Relations	1,387,443
17-4560	Private Sector Labor Relations	368,063
23-4538	Services for the Deaf	187,650
	Total Appropriation, Manpower and Employment Services	$10,707,347

Personal Services:	
Board members (7)	($10,500)
Salaries and wages	(2,918,169)
Positions converted	(11,582)
New positions	(8,006)
Materials and Supplies	(38,625)
Services Other Than Personal	(466,590)
Maintenance and Fixed Charges	(29,250)
Special Purpose:	
Services to clients (State share)	(3,086,450)
Sheltered workshop support	(3,124,000)
Work activity training center	(210,075)
Work incentive program (State share)	(750,000)
Services to deaf clients	(36,000)
Advisory council on the deaf	(800)
Additions, Improvements and Equipment	(17,300)

The sum hereinabove for the Vocational Rehabilitation Services program classification shall be available for the payment of obligations applicable to prior fiscal years.

The unexpended balances as of June 30, 1981 in the program classifications—Vocational Rehabilitation Services and Work Incentive Program are appropriated; provided, however, that the unexpended balance for the Vocational Rehabilitation Services program classification shall not exceed $300,000.

The amount provided hereinabove for Sheltered Workshop support shall be reduced, as the Director of Budget and Accounting shall determine, by the amount of Federal funds made available for such program.

The amount hereinabove for the Work Incentive program is appropriated out of the Unemployment Compensation Auxiliary Fund.

Notwithstanding the provisions of C34:13A–1 et seq., the cost of fact-finding shall be borne equally by the public employer and the exclusive employee representative.

Of the sum provided for Public Sector, an amount of $48,000 shall be provided for the annual salary of the Chairman of the Public Employee Relations Commission.

Notwithstanding the provisions of C43:21–1 et seq., any employer who shall fail to pay Unemployment Compensation contributions due for any period on or before the date they are required by the Division of Unemployment and Disability Insurance to be paid, shall pay interest at the rate of 1.25% a month on the amount thereof from such date until the date of payment thereof.

Total Appropriation, Department of Labor	$25,014,331

DEPARTMENT OF LAW AND PUBLIC SAFETY

Public Safety and Criminal Justice

11 Vehicular Safety

01-1110	Licensing and Registration	$12,119,207
02-1110	Vehicle Control	12,722,674
03-1110	Driver Control	4,728,630
04-1140	Security Responsibility	2,884,247
05-1150	Unsatisfied Claims	290,478
99-1110	Management and Administrative Services	3,646,367
	Total Appropriation, Vehicular Safety	$36,391,603

Personal Services:		
Salaries and wages	($23,180,650)	
Positions established from lump sum appropriation	(393,690)	
Materials and Supplies	(3,458,220)	
Services Other Than Personal	(6,934,305)	
Maintenance and Fixed Charges	(647,065)	
Special Purpose:		
Transfer to an applicant State department for State share of cost of highway safety projects which qualify for no less than 70% Federal government matching	(70,000)	
Agency automation system	(1,300,000)	
Compensation awards	(78,872)	
Additions, Improvements and Equipment	(328,801)	

In addition to the amounts hereinabove, there are appropriated from driver license and motor vehicle fees such sums as may be necessary to defray the cost of registering motor vehicles and licensing drivers (RS 39:3-3 and RS 39:10-25).

Receipts not to exceed $450,000, derived pursuant to PL 1977, c. 23 (C39:3-10B) with respect to probationary driver initial license program are appropriated, to defray the cost of operations.

The unexpended balance in the Transfer to an applicant State department for the State share of the cost of highway safety projects account, including the accounts of the several departments, as of June 30, 1981 is appropriated for such projects.

The amount hereinabove to Security Responsibility for the cost of administering the Motor Vehicle Security Responsibility law shall be payable from receipts received from mutual associations and stock companies writing motor vehicle liability insurance within the State (C39:6–58), and any receipts in excess of the amount hereinabove, are appropriated to defray additional cost of administration of the Security Responsibility program.

The amount hereinabove for Unsatisfied Claims is appropriated out of the Unsatisfied Claim and Judgment Fund and, in addition, there are appropriated out of such Fund additional sums as may be necessary for the payment of claims (C39:6–67), and for such additional costs as may be required to administer the program (C39:6–62 et seq.).

The unexpended balance as of June 30, 1981 in the Agency Automation System account is appropriated for the same purpose.

Receipts derived pursuant to PL 1979, c. 261, with respect to motor vehicle driver licenses with color photographs and the unexpended balance as of June 30, 1981 of such receipts are appropriated to defray the cost of operation.

The additional receipts generated by the enactment of PL 1981, Chapter 133 with respect to the issuance of reflectorized registration plates are appropriated to defray the cost of manufacturing and distribution of such plates.

Notwithstanding the provisions of RS 39:4–50, the fee for the Motor Vehicle Alcohol Countermeasure School is established at $40 for the fiscal year June 30, 1982.

12 Law Enforcement

06-1200	Patrol Activities and Crime Control	$39,945,143
07-1200	Police Services and Public Order	8,264,560
08-1200	Emergency Services	533,285
09-1020	Criminal Justice	6,570,386
10-1040	Police Training Commission	511,269
11-1050	State Medical Examiner	939,010
23-1200	State Capitol Complex Security	2,011,856
24-1200	Marine Police Operations	2,338,407
99-1200	Management and Administrative Services	13,441,421
	Total Appropriation, Law Enforcement ...	$74,555,337

Personal Services:		
Salaries and wages	($50,424,195)	
Positions established from lump sum appropriation	(	48,117)
Positions established in lieu of appropriated revenue	(	266,171)
Positions converted	(	482,691)
Cash in lieu of maintenance	(	4,669,020)
Materials and Supplies	(	7,388,982)
Services Other Than Personal	(	4,897,576)
Maintenance and Fixed Charges	(	1,555,227)
Special Purpose:		
Data reduction and fingerprint backlog processing	(	350,000)
Hammonton Training School	(	8,000)
Inter-agency hazardous waste strike force	(	230,000)
Expenses of State Grand Jury	(	135,000)
Augmentation of laboratory services	(	100,000)
Supplementary security coverage—State Capitol Complex	(	946,249)
Reimbursement for boat registration costs	(	174,600)
State police recruit training	(	645,000)
Compensation awards	(	200,580)
Medicaid fraud investigation—State match	(	316,000)
Additions, Improvements and Equipment	(	1,717,929)

The unexpended balance as of June 30, 1981, in the Expenses of State Grand Jury account is appropriated for the same purpose.

The unexpended balance as of June 30, 1981, in the revolving fund established under the New Jersey Antitrust Act (C56:9–1 et seq.) is appropriated for the administration of the Act; provided, however, that any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of the General Fund such additional amounts as may be required to carry out the provisions of the New Jersey Antitrust Act; provided, however, that any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 1981, in Patrol Activities and Crime Control, Police Services and Public Order, State Capital Complex Security and Management and Administrative Services program classifications are appropriated for State police recruit training.

The Governor is hereby empowered to direct the State Treasurer to transfer from any State department to this Department such sums as may be necessary for the cost of any emergency occasioned by aggression, civil disturbance, sabotage, disaster or for flood loss expenses for State-owned structures to comply with Federal insurance administration requirements.

Such sums as may be necessary are appropriated from the Special Fund for Civil Defense volunteers (C. App. A.9–57.1 et seq.).

Of the amount hereinabove for Marine Police Operations, $1,700,000 shall be payable out of receipts pursuant to the New Jersey Boat Act (C12:7–34.36 et seq.) and any amounts remaining therein, in addition to the unexpended balances as of June 30, 1981, are appropriated for this purpose.

In addition to the amounts hereinabove to the Division of State Police, there are appropriated to the respective State departments and agencies such sums as may be received or receivable from any instrumentality or public authority for direct and indirect costs of all State police services furnished thereto, except as to such cost for which funds have been included in appropriations otherwise made to the respective State departments and agencies as the Director of the Division of Budget and Accounting shall determine; provided, however, that payments from such instrumentalities or authorities for employer contributions to the State Police Retirement System shall not be appropriated and shall be paid into the General Fund.

13 Special Law Enforcement Activities

17-1420	Election Law Enforcement	$607,169
18-1430	Law Enforcement Planning	325,091
20-1450	Review and Enforcement of Ethical Standards	98,523
21-1400	Regulation of Alcoholic Beverages	921,677
22-1410	Regulation of Racing Activities	1,415,675
	Total Appropriation, Special Law Enforcement Activities	$3,368,135

Personal Services:		
Salaries and wages	($2,382,406)	
Positions established from lump sum appropriation	(46,910)	
New positions	(19,500)	
Materials and Supplies	(104,660)	
Services Other Than Personal	(414,854)	
Maintenance and Fixed Charges	(36,925)	
Special Purpose:		
Payment to members of the Election Law Enforcement Commission, a per diem amount of $200 for each meeting of the Commission attended	(24,000)	

Administration of SLEPA	(250,000)
Juvenile justice grant (State match)	(75,000)
Compensation awards	(3,080)
Additions, Improvements and Equipment	(10,800)

The unexpended balance as of June 30, 1981 for Law Enforcement Planning, including the accounts of the several departments, is appropriated for the same purposes.

The amount hereinabove for the Administration of SLEPA shall be reduced by the amount of Federal funds made available for such administration; provided, however, that subject to the approval of the Director of the Division of Budget and Accounting, the amount shall not be reduced below the amount required to match available Federal funds.

Receipts from the race track admission tax (C5:5–64), and the unexpended balance of such receipts, as of June 30, 1981, are appropriated for use as provided by law.

19 Central Planning, Direction and Management

99-1000	Management and Administrative Services	$1,012,354
	Total Appropriation, Central Planning, Direction and Management	$1,012,354

Personal Services:	
Attorney General	($56,000)
Salaries and wages	(789,836)
Materials and Supplies	(44,690)
Services Other Than Personal	(79,882)
Maintenance and Fixed Charges	(41,946)

There are appropriated out of the Veterans' Guaranteed Loan Fund (C38:23B–1) such sums as may be necessary to pay for the administration thereof.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Criminal Justice Data Processing Center revolving fund from the various appropriations made to departments for data processing costs which are appropriated or allocated to such departments for their share of such costs.

Government Direction, Management and Control

74 General Government Services

12-1010	Legal Services	$6,087,699
	Total Appropriation, General Government Services	$6,087,699

Personal Services:	
Salaries and wages	($5,373,516)
Materials and Supplies	(197,550)
Services Other Than Personal	(355,998)
Maintenance and Fixed Charges	(98,380)
Special Purpose:	
Compensation awards	(14,200)
Additions, Improvements and Equipment	(48,055)

Special Government Services

82 Protection of Citizens' Rights

14-1310	Consumer Affairs	$2,275,814
15-1320	Board of Certified Public Accountants	287,676
15-1321	Board of Architects	128,180
15-1322	Board of Dentistry	200,959
15-1323	Board of Mortuary Science	117,031
15-1324	Board of Professional Engineers and Land Surveyors	231,334
15-1325	Board of Medical Examiners	672,665
15-1326	Board of Nursing	662,883
15-1327	Board of Optometrists	79,424
15-1328	Board of Pharmacy	217,774
15-1329	Board of Veterinary Medical Examiners	30,574
15-1330	Board of Shorthand Reporting	13,064

15-1331	Board of Examiners of Ophthalmic Dispensers and Ophthalmic Technicians	58,129
15-1332	Board of Beauty Culture Control	367,167
15-1333	Board of Professional Planners	94,116
15-1334	Board of Examiners of Electrical Contractors	210,184
15-1335	Board of Psychological Examiners	54,081
15-1336	Board of Examiners of Master Plumbers	186,302
15-1337	Board of Marriage Counselor Examiners	29,914
15-1338	Board of Barber Examiners	107,445
16-1350	Protection of Civil Rights	1,735,958
19-1440	Violent Crimes Compensation	2,224,761
	Total Appropriation, Protection of Citizens' Rights	$9,985,435

Personal Services:	
Salaries and wages	($5,033,229)
Positions established from lump sum appropriation	(52,126)
Materials and Supplies	(234,063)
Services Other Than Personal	(2,317,107)
Maintenance and Fixed Charges	(489,674)
Special Purpose:	
Hearing Aid Dispensers Examining Committee	(2,000)
Claims—Victims of violent crimes	(1,788,500)
Compensation awards	(14,200)
Additions, Improvements and Equipment	(54,536)

Receipts derived from the assessment and recovery of costs of hearings conducted, pursuant to the Consumer Fraud Act, are appropriated for such purpose.

Of the sum hereinabove for Consumer Affairs, the annual salary of the State Athletic Commissioner shall not exceed $10,000.

The amount hereinabove for each of the several State professional boards shall be provided from receipts of such boards and any receipts in excess

of the amount specifically provided to each of said boards are appropriated; provided, however, that the appropriation of excess receipts shall not apply to the State Board of Beauty Culture Control and to the State Board of Barber Examiners.

The sum hereinabove for Claims—Victims of violent crimes shall be available for payment of awards applicable to claims filed in prior fiscal years.

Receipts derived from penalties (NJS 2C:43-3.1) and the unexpended balances as of June 30, 1981 of such receipts are appropriated for payment of claims of victims of violent crimes (C52:4B-1 et seq.).

	Total Appropriation, Department of Law and Public Safety	$131,400,563

DEPARTMENT OF THE PUBLIC ADVOCATE

Government Direction, Management and Control

76 Management and Administration

99-8470	Management and Administrative Services	$744,035
99-8480	Management and Administrative Services —Commissioner's Office	385,404
	Total Appropriation, Management and Administration	$1,129,439

Personal Services:		
Commissioner	(	$56,000)
Salaries and wages	(	876,243)
Positions transferred from other Statewide programs	(	46,706)
Positions converted	(	5,849)
Materials and Supplies	(	36,620)
Services Other Than Personal	(	61,924)
Maintenance and Fixed Charges	(	46,097)

Special Government Services

82 Protection of Citizens' Rights

01-8310	Mental Health Advocacy	$1,245,510
02-8320	Public Interest Advocacy	518,367
03-8330	Citizens' Complaints and Dispute Settlement	660,866
04-8410	Trial Services to Indigents and Special Programs	13,736,804
05-8420	Appellate Services to Indigents	2,388,765
06-8430	Public Defender Administration	816,078
	Total Appropriation, Protection of Citizens' Rights	$19,366,390

Personal Services:		
Salaries and wages	($14,010,703)	
Positions transferred from other Statewide programs	(35,133)	
Materials and Supplies	(328,240)	
Services Other Than Personal	(3,888,795)	
Maintenance and Fixed Charges	(213,960)	
Special Purpose:		
Advocacy for developmentally disabled	(117,159)	
Child abuse representation (State share)	(188,800)	
Speedy trial program	(250,000)	
Probable cause—parole revocation	(245,000)	
County municipal inmate advocacy program	(50,000)	
Additions, Improvements and Equipment	(38,600)	

Receipts from Rate Counsel services and the unexpended balance as of June 30, 1981 of such receipts, are appropriated for the purpose of defraying the cost of operation of the Rate Counsel program classification and 20% of departmental administrative costs.

Receipts from clients and the unexpended balance as of June 30, 1981 of such receipts, are appropriated.

The sum hereinabove for legal and investigative services shall be available for payment of obligations applicable to prior fiscal years.

Of the sum hereinabove for Public Defender Administration, an amount not to exceed $55,500 is provided for the annual salary of the Public Defender.

Total Appropriation, Department of the Public Advocate	$20,495,829

DEPARTMENT OF STATE

Government Direction, Management and Control

74 General Government Services

01-2505	Commercial and Governmental Records Control	$2,160,664
03-2515	Adjudication of Administrative Appeals	3,313,933
	Total Appropriation, General Government Services	$5,474,597

Personal Services:	
Secretary of State	($56,000)
Salaries and wages	(1,300,753)
Positions established from lump sum appropriation	(2,429,113)
Positions transferred from another Statewide program	(15,963)
Positions converted	(31,042)
Materials and Supplies	(254,499)
Services Other Than Personal	(910,387)
Maintenance and Fixed Charges	(159,344)
Special Purpose:	
Voter Registration	(250,000)
Voter Declaration	(4,000)
Compensation Awards	(382)
Additions, Improvements and Equipment	(63,114)

Receipts derived from the examination of voting machines by the Secretary of State and the un-

expended balance as of June 30, 1981 of such receipts, are appropriated for the costs of making such examinations.

Of the amount hereinabove for Adjudication of administrative appeals, an amount of $54,500 is provided for the salary of the Director of the Office of Administrative Law.

Receipts from charges made for services by the Office of Administrative Law are appropriated.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Office of Administrative Law in this Department from any appropriation made to any department for administrative hearing costs which had been appropriated or allocated to such departments for their share of such costs.

Receipts in excess of $100,000 derived from the sale of publications by the Division of Administrative Procedures and the unexpended balance as of June 30, 1981 of such receipts are appropriated for the preparation, printing and distribution of such publications.

	Total Appropriation, Department of State ..	$5,474,597

DEPARTMENT OF TRANSPORTATION

Transportation Services

61 State Highway Facilities

06-6100	Roadway and Bridge Maintenance	$38,144,646
07-6110	Electrical and Traffic Operations	15,895,391
08-6120	Physical Plant	4,304,791
09-6130	Equipment Maintenance and Operations .	19,990,578
	Total Appropriation, State Highway Facilities	$78,335,406

Personal Services:

Salaries and wages	($41,624,528)
Materials and Supplies	(11,208,828)
Services Other Than Personal	(926,300)
Maintenance and Fixed Charges	(14,329,750)

Special Purpose:
Improved maintenance of roadways and bridges ..... (300,000)
Traffic signals, signs, lighting and safety improvements ..... (1,163,000)
Additions, Improvements and Equipment ..... (8,783,000)

The unexpended balance as of June 30, 1981 in this account is appropriated.

62 Public Transportation

04-6050	Railroad and Bus Operations	$104,450,000
05-6070	Aeronautics	550,755
	Total Appropriation, Public Transportation	$105,000,755

Personal Services:
Salaries and wages ..... ($438,605)
Materials and Supplies ..... (12,500)
Services Other Than Personal ..... (86,500)
Maintenance and Fixed Charges ..... (12,150)

Special Purpose:
Purchase of transportation services from the New Jersey Transit Corporation ..... (104,450,000)
Additions, Improvements and Equipment ..... (1,000)

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Of the amount hereinabove for the Purchase of transportation services from the New Jersey Transit Corporation, the $16,000,000 appropriated in excess of the Governor's recommendation shall be allocated for bus and rail passenger service and shall be expended for no other purpose.

64 Planning and General Management Support

02-6030	Planning	$2,420,071
03-6040	Research and Demonstration	518,891
97-6020	Financial Management	4,243,675

98-6010	Employee and Support Services	3,899,455
99-6000	Management and Administrative Services	1,376,288
	Total Appropriation, Planning and General Management Support	$12,458,380

Personal Services:
- Commissioner ($56,000)
- Salaries and wages (8,604,423)
- Positions transferred from other Statewide programs (60,345)

Materials and Supplies (246,245)
Services Other Than Personal (2,236,069)
Maintenance and Fixed Charges (79,900)

Special Purpose:
- Comprehensive highway transportation planning studies (50,600)
- Public transportation and aviation planning (194,200)
- Metropolitan planning studies (181,898)
- Compensation awards (700,000)

Additions, Improvements and Equipment (48,700)

Sums allocated by the Commissioner of Transportation for planning and research and demonstration in the annual construction program may be transferred to this account for expenditure.

The unexpended balances as of June 30, 1981 in the Planning and Research and Demonstration program classifications are appropriated.

The unexpended balance as of June 30, 1981, and the reimbursements in the Department stock purchase revolving fund for the purchase of materials and supplies required for the operation of the Department, are appropriated.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Engineering and Development Data Processing Center from the various appropriations made to departments for data processing costs

which are appropriated or allocated to such departments for their share of such costs.

Total Appropriation, Department of Transportation $195,794,541

Any appropriation herein or heretofore made for projects and programs within the purview of C54:8A–1 et seq. (Emergency Transportation Tax Act), as determined by the Director of the Division of Budget and Accounting, first shall be charged to the Transportation Fund established in such Act.

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

72 Governmental Review and Oversight

03-2015	Employee Relations and Collective Negotiations	$396,453
05-2030	Budget Planning and Control	2,220,233
07-2040	Accounting and Fiscal Management	6,255,999
08-2045	Management of Data Processing and Telecommunications	1,275,886
	Total Appropriation, Governmental Review and Oversight	$10,148,571

Personal Services:	
Salaries and wages	($6,169,772)
Positions established from lump sum appropriation	(30,352)
New positions	(124,534)
Materials and Supplies	(226,685)
Services Other Than Personal	(3,472,243)
Maintenance and Fixed Charges	(66,705)
Additions, Improvements and Equipment	(58,280)

There are appropriated, out of revenues derived from escheated property under the various escheat acts, such sums as may be necessary to administer such acts and such sums as may be required for refunds.

There are appropriated out of receipts derived from the investment of State funds such sums as may necessary for bank service charges.

Such sums as may be necessary for administrative expenses incurred by the Bureau of Accounting in processing Federal benefit payments are appropriated from such sums as may be received or receivable for this purpose.

Such sums as may be necessary for payment of expenses incurred by issuing officials appointed under the several bond acts of the State are appropriated for the purposes and from the sources defined in said acts.

There are appropriated from the balances in any funds created to implement the New Jersey State Employees' Deferred Compensation Plan (PL 1978, c. 39) such sums as may be necessary for administration, service costs, investment services, and contractual expenses for administering the New Jersey State Employees' Deferred Compensation Plan; provided, however, that up to $200,000 be appropriated as a loan to the New Jersey Employees' Deferred Compensation Board for implementing said Plan, if and as requested by the Board, with any amount so appropriated to be repaid by the participants in the Plan in accordance with a repayment schedule which the Board shall establish.

73 Financial Administration

13-2070	Special Procedures and Investigations	$7,434,416
14-2075	Tax Audit Services	11,538,979
15-2080	Processing and Administration	10,314,788
19-2120	Management of State Investments	1,398,812
	Total Appropriation, Financial Administration	$30,686,995

Personal Services:	
Salaries and wages	($24,569,162)
New positions	(140,450)
Materials and Supplies	(665,100)
Services Other Than Personal	(4,074,043)
Maintenance and Fixed Charges	(737,100)
Special Purpose:	
Administration of cigarette distributor licensing	(50,000)
Compensation awards	(40,000)
Additions, Improvements and Equipment	(411,140)

So much of the receipts derived from the sale of confiscated equipment, materials and supplies under the Cigarette tax act as may be necessary for confiscation, storage, disposal and other related expenses thereof are appropriated.

Upon certification of the Director of the Division of Taxation, the State Treasurer shall pay, upon warrants of the Director of the Division of Budget and Accounting, such claims for refunds as may be necessary under the provisions of Title 54, as amended and supplemented.

Any appropriation herein or heretofore made for administration of the Emergency Transportation Tax Act (C54:8A–1 et seq.) and the Transportation Benefits Tax Act (C54:8A–58 et seq.) first shall be charged to the Transportation Fund or the Transportation Benefits Fund, respectively, established in said acts and, in addition thereto, such sums as may be necessary for additional expenses of administration of said acts are appropriated from the receipts thereof.

There are appropriated, out of the State Lottery Fund, such sums as may be necessary for costs required to implement C5:9–1 et seq. and for payment of commissions, prizes and expenses of developing games (C5:9–7).

There are appropriated, out of receipts derived from service fees billed to Authorities for the handling of investment transactions, such sums as may be necessary to administer the above investment activity.

There are appropriated, out of receipts derived from the investment of State funds, such sums as may be necessary for bank service charges, custodial costs, mortgage servicing fees and advertising bank balances (C52:18–16.1).

74 General Government Services

09-2050	Purchasing and Inventory Management	$2,796,254
10-2055	Physical Plant Operation and Maintenance	7,099,218
11-2060	Other Property Management Services	565,445
12-2065	Construction Management Services	2,972,004
21-2140	Management of Employee Benefits Programs	6,903,910
	Total Appropriation, General Government Services	$20,336,831

Personal Services:	
Salaries and wages	($11,729,558)
Positions converted	(64,100)
New positions	(30,100)
Materials and Supplies	(3,725,825)
Services Other Than Personal	(3,887,848)
Maintenance and Fixed Charges	(442,850)
Special Purpose:	
Gubernatorial Transition—Governor	(50,000)
Gubernatorial Transition—Governor-elect	(150,000)
Compensation awards	(2,000)
Additions, Improvements and Equipment	(254,550)

The Director of the Division of Budget and Accounting is hereby empowered to transfer or credit to

the Construction management services program classification, from appropriations for construction and improvements, a sufficient sum to pay for the cost of architectural work, superintendence and other expert services in connection with such work.

In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for unforeseen needs related to the implementation of improvements to the administrative systems of the Division of Pensions, including improvements to internal controls, systems and data processing.

There are appropriated, out of the New Jersey Spill Compensation Fund, such sums as may be required for hiring adjustors, administering the Fund and paying approved claims for damages.

Notwithstanding the provisions of C52:15A–4, the appropriation hereinabove for the former Governor and the services and facilities authorized shall continue to be available to the former Governor for one year following the expiration of his term of office.

2050-321-09 State Purchase Fund

The unexpended balance in the State Purchase Fund as of June 30, 1981, and the reimbursements thereto, are appropriated for the purpose of making payments for purchases (RS 52:25–1 et seq.), and for expenses of handling, storing and transporting purchases so made and for administration of the Distribution Center.

2035-324-40 Management and Financial Data Processing Center

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Management and Financial Data Processing revolving fund, from the various appropriations made to departments for data processing costs which are appropriated or allocated to such departments for their share of such costs.

2000-301-43 Print Shop

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Print Shop revolving fund from any appropriation made to any department for printing costs appropriated or allocated to such departments for their share of costs of the Print Shop.

2000-302-42 Microfilm Section

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Microfilm Section revolving fund from any appropriation made to any department for microfilming costs appropriated or allocated to such departments for their share of costs of the Microfilm Section.

2060-440-11 Other Property Management Services

A sum, not to exceed $275,000, from the proceeds derived from the sale of State-owned surplus real property is hereby appropriated for administrative expenses connected with such sale or disposition.

2064-443-62, 444-66 State Cafeterias

The unexpended balances in the State Cafeteria accounts as of June 30, 1981, and receipts obtained from cafeteria operations, are appropriated for the improvement and extension of cafeteria services and facilities (C52:18A–19.6).

76 Management and Administration

01-2005	Federal Liaison Activities	$100,000
99-2000	Management and Administrative Services	1,819,998
	Total Appropriation, Management and Administration	$1,919,998

Personal Services:

State Treasurer	($56,000)
Salaries and wages	(1,154,267)

Positions transferred from another Statewide program	(	31,905)
Positions converted	(	12,160)
Materials and Supplies	(	40,000)
Services Other Than Personal	(	106,087)
Maintenance and Fixed Charges	(	36,000)
Special Purpose:		
Federal Liaison Office—Washington, D.C.	(	100,000)
Public contracts affirmative action program	(	380,279)
Additions, Improvements and Equipment	(	3,300)

Fees collected on behalf of the Public contracts affirmative action program and the unexpended balance as of June 30, 1981 of such fees, are appropriated for program costs, subject to allotment by the Director of the Division of Budget and Accounting.

Total Appropriation, Department of the Treasury	$63,092,395

MISCELLANEOUS EXECUTIVE COMMISSIONS

Community Development and Environmental Management

43 Environmental Quality

9130 Interstate Sanitation Commission

03-9130	Air Pollution	$87,000
04-9130	Water Quality	163,000
	Total Appropriation, Interstate Sanitation Commission	$250,000

Special Purpose:		
New Jersey share of air pollution costs (45%)	(	$87,000)
New Jersey share of water quality costs (45%)	(	163,000)

9140 Delaware River Basin Commission

02-9140	Water Supply Management	$367,700
	Total Appropriation, Delaware River Basin Commission	$367,700
	Special Purpose:	
	Expenses of Commission	($367,700)

Transportation Services

61 State Highway Facilities

9120 Delaware River Joint Toll Bridge Commission

07-9120	Delaware River Joint Toll Bridge Commission	$1,857,970
	Total Appropriation, Delaware River Joint Toll Bridge Commission	$1,857,970
	Personal Services:	
	Salaries and wages	($1,072,120)
	Materials and Supplies	(66,800)
	Services Other Than Personal	(212,700)
	Maintenance and Fixed Charges	(35,000)
	Special Purpose:	
	Other special purpose	(29,775)
	Additions, Improvements and Equipment	(441,575)

Government Direction, Management and Control

72 Governmental Review and Oversight

9150 New Jersey Commission on Capital Budgeting and Planning

08-9150	New Jersey Commission on Capital Budgeting and Planning	$120,000*
	Total Appropriation, New Jersey Commission on Capital Budgeting and Planning	$120,000*
	Special Purpose:	
	Expenses of Commission	($120,000*)
	Total Appropriation, Miscellaneous Executive Commissions	$2,595,670*

INTER-DEPARTMENTAL ACCOUNTS

Government Direction, Management and Control

74 General Government Services

9400 Property Rentals, Insurance and Other Services

01-9400	Property Rentals	$33,500,000
02-9400	Insurance and Other Services	208,000
	Total Appropriation, Property Rentals, Insurance and Other Services	$33,708,000

Maintenance and Fixed Charges ....($33,500,000)

Special Purpose:

Retroactive premium—master automobile policy .....(208,000)

Of the amount hereinabove for Property rentals, so much as is necessary may be used for offices, rent, telephones, answering services, furniture and office equipment for district offices of members of the Legislature; provided, however, that the rental of office space for a district office shall not be in any facility in which the legislator has any proprietary interest; provided, further, however, that the sum not be used to provide remuneration to any members of the Legislature; and provided, further, however, that the expenditure be in accordance with joint rules established by the President of the Senate and the Speaker of the General Assembly.

The Director of the Division of Budget and Accounting is empowered to allocate to any State agency occupying space in any State-owned building, equitable charges for the rental of such space to include but not be limited to the costs of operation and maintenance thereof, and the amounts so charged shall be credited to the General Fund; and, to the extent that such charges exceed the amounts appropriated for such purposes to any agency financed from any fund other than the General Fund, the required additional appropriation shall be made out of such other fund.

Receipts derived from direct charges and charges to non-State fund sources are appropriated for the rental of property, including the costs of operation and maintenance of such properties.

Notwithstanding any other provision of law, no lease for the rent of any office or building shall be executed without the prior written consent of the State Treasurer, the Director of the Division of Budget and Accounting, the President pro tem of the Senate and the Speaker of the General Assembly.

The unexpended balance as of June 30, 1981 in the Tort Claims Liability Fund account (C59:12–1) is appropriated for the same purpose.

There are appropriated such additional sums as may be required to pay tort claims (C59:12–1), subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Tort Claims Liability Fund (C59:12–1) shall be available for the payment of direct costs of outside legal and investigative services related to the investigation and litigation of claims against the Fund.

The unexpended balances as of June 30, 1981 in the Inter-departmental accounts for automobile insurance are appropriated as a reserve for payment of retroactive premiums, or for reallocation to departments based on loss experience.

The sum hereinabove shall be available for payment of obligations applicable to prior fiscal years.

9410 Employee Benefits

03-9410	Employee Benefits	$318,994,572
	Total Appropriation, Employee Benefits	$318,994,572

Personal Services:
Heath Act ..... ($50,000)
Veterans' Act ..... (100,000)

Miscellaneous special acts	(8,500)
Annuity for Governors' Widows	(8,000)
Judicial Retirement System	(5,281,202)
Prison Officers' Pension Fund	(1,985,000)
Public Employees' Retirement System Premiums for non-contributory insurance	(78,000,000)
Social security tax	(92,525,762)
State Police Retirement System Premiums for non-contributory insurance—State Police	(13,096,108)
Dental care program, shared cost	(5,200,000)
State employees' health benefits	(71,200,000)
Prescription drug program	(4,800,000)
Pension Adjustment Act	(22,000,000)
Pension Adjustment Act increase (PL 1981, c. 128)	(4,500,000)
Employer contributions, alternate benefit program	(10,000,000)
Pension and insurance contributions payable to Teachers' Pension and Annuity Fund for higher education and State employee members	(3,300,000)
Unemployment insurance—Employer liability	(4,000,000)
Temporary disability insurance	(640,000)
Police and Firemens' Retirement System (C43:16A–1)	(5,000,000)
Vision care	(300,000)

Less:

FICA sick leave exclusion program (—3,000,000)

Of the sum hereinabove, upon application to the Director of the Division of Budget and Accounting, an annuity of $4,000 shall be paid to the widow of any person, now deceased, who was elected and served as Governor of the State; provided such widow was the wife of such person for all or part of the period during which he served as Governor and; provided, further, that this not apply to any widow receiving a pension granted under

RS 43:8–2, and continued by RS 43:7–1 et seq., RS 43:8–1 et seq. and RS 43:8–8 et seq.

Any adjustment which may be required for payment of Premium for non-contributory insurance shall result in a contra-adjustment in the payment of the normal contribution for the Public Employees' Retirement System.

Any adjustment which may be required for payment of Premium for non-contributory insurance shall result in a contra-adjustment in the payment of the normal contribution for the State Police Retirement System.

Notwithstanding the provisions of any other law, the sum hereinabove for the various retirement systems shall be paid to the systems not later than June 30, 1982 in amounts and at times as determined by the Director of the Division of Budget and Accounting, with interest at the average rate of earnings during the fiscal year from the State's general investments, computed from the period beginning July 1, 1981 through the date of such payment.

Such additional sums as may be required for Social security tax, Unemployment compensation liability and/or State employees' health benefits may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

Such interest as may be required to be paid on account of delayed payments to the various retirement systems is appropriated from investment earnings.

The amount hereinabove for Prescription drug program is based upon a co-payment of $3.50 for each eligible prescription.

Of the amounts hereinabove for the Pension Adjustment Act, such sums as are appropriated in

advance for increased retirement benefits for local employee members of State-administered retirement systems, shall be repaid to the General Treasury upon reimbursement from local public employers.

The unexpended balances as of June 30, 1981 in the Social Security tax and the Employer contributions, alternate benefit program accounts are appropriated.

9420 State Contingency Fund

04-9420	State Contingency Fund	$2,100,000
	Total Appropriation, State Contingency Fund	$2,100,000

Special Purpose:

To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided, however, that a sum not in excess of $5,000 shall be available for the expense of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State. ($300,000)

To the Director of the Division of Budget and Accounting, for allotment, as required, to meet contingencies, including increases in the price of fuel and food and other commodities and services beyond those anticipated. (1,300,000)

To the Director of the Division of Budget and Accounting, for allotment to the various departments and agencies who make application for and demonstrate the need

for seed money to implement cost saving processes or other productivity improvements	(50,000)
To the Director of the Division of Budget and Accounting, for allotment to the various departments or agencies to pay compensation awards allowed State employees.	(150,000)
To the Director of the Division of Budget and Accounting for payment to the Emergency Services Fund as a restoration of amounts withdrawn for emergencies.	(300,000)

The unexpended balance as of June 30, 1981 in the productivity improvements account is appropriated for the same purpose.

Balances resulting from the implementation of cost saving process or other productivity improvements may be transferred to the productivity improvements account as the Director of the Division of Budget and Accounting shall determine.

Revenue in excess of that anticipated resulting from the implementation of a revenue producing improvement is appropriated as determined by the Director of the Division of Budget and Accounting for other productivity improvements.

The unexpended balance as of June 30, 1981 in the account for the development of the Central appropriation revenue, accounting and budget systems is appropriated for the same purpose.

9430 Salary and Other Benefits

05-9430	Salary and Other Benefits	$80,000,000
	Total Appropriation, Salary and Other Benefits	$80,000,000

Special Purpose:

To the Director of the Division of Budget and Accounting for allotment to the various agencies for the costs of salary and other benefits resulting from negotiated contractual agreements with various employee organizations and the costs of salary and other benefits for those employees not covered by a negotiated contractual agreement with any employee organization	($80,000,000)
To the Director of the Division of Budget and Accounting for allotment to the various agencies for lump sum payments to eligible retired employees for earned and unused accumulated sick leave (C11:14–9 et seq.)	

The amount for Salary and other benefits hereinabove shall be subject to rules and regulations established by the State Treasurer, the President of the Civil Service Commission and the Director of the Division of Budget and Accounting; provided, however, that any salary adjustment which may be authorized be made effective at the beginning of the bi-weekly pay period nearest July 1, 1981, or thereafter, as the State Treasurer, the President of the Civil Service Commission and the Director of the Division of Budget and Accounting determine.

The cash salary rate which may be paid to any employee shall not be increased to a salary rate which exceeds $500 less than the cash salary rate provided by law for the respective department head, including employees of the College of Medicine and Dentistry of New Jersey; Rutgers, The State University; the New Jersey Institute of Technology and the State Colleges; except that the rates of pay of administrators and medical

faculty at the College of Medicine and Dentistry of New Jersey; of licensed medical doctors in other State agencies; the President of Rutgers, The State University and the President of the New Jersey Institute of Technology, and the Deans and Distinguished Professors of Law of the Schools of Law of Rutgers, The State University, may be increased above the department head's salary rate with the approval of the President of the Civil Service Commission and the Director of the Division of Budget and Accounting. With respect to salary adjustments for the College of Medicine and Dentistry of New Jersey, recommendations for such salary adjustments shall be in accordance with criteria promulgated by the Chancellor of Higher Education and the Director of the Division of Budget and Accounting.

No salary range or rate of pay shall be increased or salary adjustment paid in any State department, agency, commission or higher education institution without the approval of the President of the Civil Service Commission and the Director of the Division of Budget and Accounting *; provided, however, that any sums appropriated to the several departments for salaries be made available for salary adjustments therein, arising from various exigencies of the State service as the President of the Civil Service Commission and the Director of the Division of Budget and Accounting shall determine. Salary increase or adjustment information shall be transmitted to the Legislative Budget Officer *. Nothing herein shall be construed as applicable to the unclassified personnel of the Legislative Branch.

The classification, compensation, promotion and salary administration program plans of Rutgers, The State University; the New Jersey Institute of Technology and the College of Medicine and Dentistry of New Jersey shall be maintained and amended as required, in accordance with stan-

dards and guidelines established by the President of the Civil Service Commission, and approved by the Director of the Division of Budget and Accounting, subject to audit by the Department of Civil Service. Information copies of such program plans as hereinabove described shall be forwarded to the Legislative Budget Officer upon promulgation of such plans.

Any sums appropriated for salaries shall be made available for any person holding State office, position or employment, whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment in any educational institution for which appropriations are made to Rutgers, The State University; the College of Medicine and Dentistry of New Jersey or to the State Board of Higher Education or the New Jersey Institute of Technology, or holding office, position or employment under the Delaware River Joint Toll Bridge Commission, the Palisades Interstate Park Commission and the Interstate Sanitation Commission.

Each person holding such State office, position or employment whose compensation from State funds is derived in whole or in part from Federal or Non-State Fund sources, shall be entitled to such salary payments which may be authorized which he would receive if his compensation were paid wholly from State funds; provided, however, that the Federal government or Non-State Fund sources consent thereto and pay the cost thereof; and provided, further, the funds required therefor are hereby appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Total Appropriation, Inter-Departmental Accounts	$434,802,572

THE JUDICIARY

Public Safety and Criminal Justice

15 Judicial Services

01-9710	Supreme Court	$1,560,016
02-9720	Superior Court	19,306,523
03-9785	Tax Court	1,332,241
06-9730	Official Court Reporters	5,457,896
07-9740	General Support Services	3,966,608
08-9750	Legal Services	1,007,405
09-9760	Probation Services	157,267
99-9770	Management and Administrative Services	1,284,768
	Total Appropriation, Judicial Services	$34,072,724

Personal Services:		
Chief Justice	($65,500)	
Associate Justices (6 @ $63,000)	(378,000)	
Judges (245)	(13,194,980)	
Salaries and wages	(15,876,986)	
New positions	(215,538)	
Materials and Supplies	(1,179,300)	
Services Other Than Personal	(2,653,747)	
Maintenance and Fixed Charges	(144,200)	
Special Purpose:		
New Jersey Criminal Disposition Commission	(75,000)	
Implementation of Child Placement Review Act	(29,373)	
Compensation awards	(20,600)	
Child support and paternity (State share)	(35,000)	
Additions, Improvements and Equipment	(204,500)	
Total Appropriation, Judiciary		$34,072,724

The unexpended balance as of June 30, 1981 in this account is appropriated.

Receipts from charges to the Superior Court trust fund, Clients' security fund and Board of Trial Attorney Certification for services provided to these funds are hereby appropriated.

Total Appropriation, Direct State Services $2,039,503,302*

The total appropriation which is subject to the provisions of PL 1976, c. 67 is authorized to exceed the limitation provided therein by an amount equal to any reduction in the funds received from Federal general revenue sharing.

STATE AID

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Economic Planning, Development and Security

51 Economic Planning and Development—State Aid

There are appropriated such additional sums as may be certified to the Governor by the South Jersey Port Corporation as necessary to meet the requirements of the Debt Service Reserve Fund (C12:11A–14) and the Property Tax Reserve Fund (C12:11A–20), subject to the approval of the Director of the Division of Budget and Accounting.

DEPARTMENT OF COMMUNITY AFFAIRS

Community Development and Environmental Management

41 Community Development Management—State Aid

02-8020	Housing Services	$1,600,000*
03-8040	State and Regional Planning	2,815,000*
04-8030	Local Government Services	79,261,694*
06-8015	Uniform Construction Code	39,600
	Total Appropriation, Community Development Management	**$83,716,294***

State Aid:

Relocation assistance	($1,000,000)
Neighborhood preservation	(600,000*)
Municipal aid (C52:27D–178 et seq.)	(39,077,869)
Municipal aid payment to:	
Asbury Park	(406,080)
Atlantic City	(933,840)
Glassboro	(71,280)
Keansburg	(118,800)
West Orange	(97,475)

Safe and clean neighborhoods including Asbury Park, Atlantic City, Glassboro, Keansburg, and West Orange	(15,778,815)
Aid to depressed rural centers	(451,840)
County welfare equalization aid subject to enabling legislation	(15,000,000)
Municipal memberships in building code association	(39,600)
Hackensack Meadowlands Municipal Committee	(15,000*)
Hackensack Meadowlands Development commission:	
Commission operations	(1,550,000)
Special capital projects	(550,000)
Environmental Center and Complex	(700,000)
Aid to depressed rural centers:	
Alpha Borough	(14,200)
Woodstown Borough	(21,420)
Interlocal Services—Jersey City, Hoboken Joint Disaster service program	(*)
Payment to the City of Newark to help raze vacant buildings	(550,000)
Education for tax collectors	(65,000)
Safe and clean neighborhods:	
Kearny	(54,727)
Lodi	(39,605)
Weehawken	(69,129)
Gloucester Township	(57,127)
Carteret	(54,487)
Capital Trade and Civic Center	(750,000)
Special assistance to Essex County	(1,500,000)
Payment to Jersey City for urban aid redevelopment planning and to match Federal funds	(1,550,000)
State assistance to the City of Camden	(2,520,000)
Public Service training internships	(80,000)

Of the sum hereinabove for Neighborhood preservation, a sum not to exceed $292,500 may be used for administration and technical assistance of the program.

The unexpended balance as of June 30, 1981 in the Revolving housing development and demonstration grant fund account, and receipts, is appropriated for the same purpose.

Of the sum available in the Revolving housing development and demonstration grant fund, a sum not to exceed $325,000 may be used for administration and technical assistance.

The unexpended balance as of June 30, 1981 in the Capital Trade and Civic Center (State contribution) account is hereby appropriated.

Notwithstanding the provisions of C52:27D–162 et seq., the amount hereinabove for Aid to depressed rural centers shall be used to provide State Aid under the Depressed rural centers aid act.

The amount hereinabove for Relocation assistance shall be available to municipalities qualifying for assistance; provided, however, that each recipient municipality match its grant with an equal amount, except for those municipalities exempted by rules and regulations promulgated by the Department.

Notwithstanding the provisions of C52:27D–118.1 et seq., the amount hereinabove for Safe and Clean Neighborhoods shall be available to those municipalities qualifying for municipal aid (C52:27D–178) for the purpose of providing walking patrolmen and other neighborhood improvements; provided that the amount to be distributed to each municipality shall not exceed the amount of the entitlement for such municipality in calendar year 1980; provided, however, that any municipality which received funds in 1980 shall share in the $1,200,000 increase on a pro rata basis; and provided further, that each recipient municipality match its allocation with an equal amount.

The amount appropriated hereinabove to provide funds for State assistance to the City of Camden shall be paid through the Director of Local Government Services only in such amounts and at such times as the Local Finance Board determines are necessary to meet the current budget needs of the City in the absence of other reasonable and feasible revenue raising and spending reduction alternatives; and provided further, that no such funds shall be paid unless the following conditions are satisfied: (1) the City becomes subject to the Law Concerning Municipalities in Unsound Financial Condition and School Districts Therein, PL 1977, c. 272 (C52:27BB–54 et seq.), as said law may be amended and supplemented from time to time; and (2) the Commissioner of the Department of Corrections certifies to the Director of the Division of Local Government Services that he has determined that all conditions necessary for an adequate State institution to be built in the City of Camden have been satisfied. All funds paid to the City of Camden pursuant to this appropriation shall be an advance payment by the State to the City for the State's liability, pursuant to PL 1977, c. 272 (C54:4–2.2a et seq.) for in lieu of tax payment on behalf of a new State institution to be constructed in the City.

Of the sum hereinabove for Safe and clean neighborhoods, a sum not to exceed $40,000 may be used for staff services for the Urban strategies unit.

Notwithstanding the provisions of C5:10–6, all funds received by the State from the New Jersey Sports and Exposition Authority shall be deposited in the General Fund and the amount hereinabove is hereby appropriated for the Hackensack Meadowlands Development Commission, provided, however, that such amounts necessary for other Commission purposes, including the payment of principal and interest for outstanding notes may be appropriated, subject to the approval of the Director of the Division of Budget

and Accounting, provided, further, that if receipts are not adequate, the amounts hereinabove shall be considered to be a loan from the General Fund and shall be repaid to the General Fund, with interest at the discount rate of the Philadelphia Reserve Bank at the close of the last business day of the month, not to be less than 8% per annum.

Economic Planning, Development and Security

55 Related Social Services Program—State Aid

05-8050	Human Resources	$3,480,000*
08-8060	Programs for the Aging	1,322,000
	Total Appropriation, Related Social Services Programs	$4,802,000*

State Aid:

Recreation for the handicapped	($150,000)
Economic opportunity programs	(800,000*)
Office of Hispanic Affairs	(650,000)
Special Olympics	(100,000)
County offices on aging	(420,000)
Older Americans' Act (State share)	(902,000)
Cultural development for ethnic groups	(120,000)
Learning at home program (New approach method)	(*)
Youth employment	(1,600,000)
Community development:	
East Bergen Council of Mayors	(30,000)
North Hudson Council of Mayors	(30,000)

*

The unexpended balance as of June 30, 1981 in the Older Americans' Act (State share) account is appropriated for the same purpose.

Total Appropriation, Department of Community Affairs	$88,518,294*

DEPARTMENT OF EDUCATION

Educational, Cultural and Intellectual Development

31 Direct Educational Services and Assistance—State Aid

01-5120	General Formula Aid	$173,585,298
02-5120	Non-Public School Aid	16,000,000
03-5120	Miscellaneous Grants-in-Aid Programs	2,800,000*
04-5030	Adult and Continuing Education Programs	3,091,046
07-5120	Special Education Programs	900,000*
	Total Appropriation, Direct Educational Services and Assistance	$196,376,344*

State Aid:

Current expense equalization aid	($109,486,409)
Minimum Aid	(64,098,889)
Aid to non-public education	(3,400,000)
Non-public nutrition aid	(680,712)
Non-public handicapped aid	(5,127,055)
Non-public auxiliary services aid	(6,425,833)
Non-public auxiliary services aid—Transportation	(366,400)
Public school safety act	(2,500,000)
Tuition assistance—Katzenbach	(300,000)
Evening school for the foreign born	(203,000)
High school equivalency	(1,259,628)
Adult education	(638,458)
Adult literacy	(989,960)
Pilot project for preschool education for the handicapped	(900,000*)
Campus high school project, Essex County College	(*)

Of the amount hereinabove in the Current expense equalization aid account, not more than $250,000 may be used for administrative expenses.

From the amount hereinabove for Current expense equalization aid, an amount not to exceed $9,000,000 may be used to fund County special services districts (NJS 18A:46-44).

With respect to the amount hereinabove for Nonpublic auxiliary services aid—Transportation, the Department is authorized to allocate this amount to local school districts to provide transportation services to students who are eligible (NJS 18A:46A–1 et seq.).

Of the amount hereinabove in the High school equivalency and the Adult literacy accounts, such sums as are necessary may be transferred to an applicant State department.

In the event that sufficient funds are not appropriated to fully fund NJS 18A:50–7 (Supervisors of Adult Education in local school districts), the Department of Education shall have the authority to pro rate the entitlements based on the relationship between the percent of time a Supervisor devotes to adult education and the maximum allowable State aid.

33 Supplemental Education and Training Programs—State Aid

20-5040	General Vocational Education Programs	$7,161,341
20-5120	General Vocational Education Programs	8,548,817*
	Total Appropriation, Supplemental Education and Training Programs	$15,710,158*

State Aid:

District and regional vocational education	($2,006,341)
Schools of industrial education	(30,000)
Vocational education	(4,500,000)
National Guard cooperative education	(125,000)
Work study program	(500,000)
Local vocational aid	(8,548,817*)

34 Educational Support Services—State Aid

31-5110	Educational Improvement Centers	$2,700,000*
36-5120	Pupil Transportation Services	109,750,000*
37-5120	School Nutrition Programs	7,000,000

38-5120	Facilities Planning and School Building Aid	84,300,000
39-5095	Teachers' Pension and Annuity Assistance	416,300,000
	Total Appropriation, Educational Support Services	$620,050,000*

State Aid:

Educational improvement centers	($2,700,000*)
Computerized bus scheduling	(250,000)
Transportation aid	(109,500,000*)
State school lunch aid	(7,000,000)
School building aid debt service	(22,808,913)
School building aid	(61,491,087)
Teachers' pension and annuity fund	(198,440,000)
Premium for non-contributory insurance	(11,560,000)
Social security tax	(132,000,000)
Pension Adjustment Act	(66,500,000)
Pension Adjustment Act increase (P.L. 1981, c. 128)	(7,800,000)

The amount appropriated hereinabove for Transportation aid shall be used to reimburse school districts for approved transportation expenses based upon costs incurred in the 1979-1980 school year.

The unexpended balance as of June 30, 1981 in the School building aid debt service account is appropriated for the same purpose.

Any adjustment in the Premium for non-contributory insurance shall be reflected in the appropriation for Normal contribution.

The sum in the Pension adjustment act account shall be available for the payment of such increase applicable to the prior fiscal year.

Notwithstanding the provisions of any other law, the sum hereinabove for the State contribution to the Teachers' Pension and Annuity Fund shall be paid to the Fund not later than June 30, 1982 in amounts and at times as determined by the

Director of the Division of Budget and Accounting, with interest at the average rate of earnings during the fiscal year from the State's general investments, computed from the period beginning July 1, 1981 through the date of such payment.

Such interest as may be required to be paid on account of delayed payments to the Teachers' Pension and Annuity Fund is appropriated from investment earnings.

The sum in the Social security tax account shall be available for the payment of such tax applicable to the prior fiscal year.

37 Cultural and Intellectual Development Services—State Aid

51-5070	Library Services	$7,800,000
52-5075	Development of Historical Resources	84,200
53-5080	Museum Services	916,889
	Total Appropriation, Cultural and Intellectual Development Services	$8,801,089

Personal Services:		
Salaries and wages	($87,366)	
Materials and Supplies	(3,000)	
Services Other Than Personal	(2,700)	
Maintenance and Fixed Charges	(1,000)	
Special Purpose:		
Workshops	(2,704)	
State Aid:		
State aid for certain libraries	(7,699,730)	
Newark Museum Association	(841,889)	
Senator James F. Murray Jr. Student Historians' Fund	(84,200)	
Turtle Back Zoo	(75,000)	
Additions, Improvements and Equipment	(3,500)	
Total Appropriation, Department of Education		$840,937,591*

The unexpended balances as of June 30, 1981 in the State Aid accounts, not to exceed $250,000, are appropriated, provided, however, that the unexpended balance in the emergency fund not be included in the $250,000 limitation.

*

Of the amount hereinabove for the Department of Education, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule below first shall be charged to the State Lottery Fund:

Non-public school aid	($16,000,000)
Educational improvement centers	(2,700,000*)
School building aid debt service	(22,808,913)
School building aid	(61,491,087)

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Community Development and Environmental Management

42 Natural Resource Management—State Aid

15-4890	Marine Lands Management	$120,000
	Total Appropriation, Natural Resource Management	$120,000

State Aid:

Town of Keansburg for not more than 50% of the cost of operation and maintenance of hurricane and beach control structures ($120,000)

There is appropriated from the Beaches and Harbors Fund, the sum of $445,000 for costs attributable to planning and administration of the Shore Protection program.

43 Environmental Quality—State Aid

07-4850	Water Monitoring and Planning	$100,000
17-4900	Solid Waste Resource Management	730,000
	Total Appropriation, Environmental Quality	$830,000

State Aid:
Lake Management ..... ($100,000)
Implementation and demonstration grants to solid waste management districts, contingent upon no less than 50% participation by such districts ..... (730,000)

45 Recreational Resource Management—State Aid

21-4895 Navigational Aids $1,000,000

Total Appropriation, Recreational Resource Management $1,000,000

State Aid:
Dredging of inland waterways—State aid to counties and municipalities on a 50/50 matching basis ($1,000,000)

Of the amount hereinabove for Navigational Aids, an amount not to exceed $500,000 is available for dredging of the Shark River, the Navesink River, and the Shrewsbury River.

The unexpended balance as of June 30, 1981 in the account Dredging of inland waterways—State aid to counties and municipalities on a 50/50 matching basis is appropriated.

46 Environmental Planning and Administration—State Aid

99-4800 Management and Administrative Services $2,709,519*

Total Appropriation, Environmental Planning and Administration $2,709,519*

State Aid:
Payment of in lieu taxes on real property acquired for future water supply facilities, recreation and conservation purposes ..... ($910,500)
Reimbursement to the Boroughs of Pennington and Hopewell for interest and debt service cost (C58:25–9) ..... (99,019*)

Administration, planning and development activities of the Pinelands Commission ..... (900,000)
Aid to counties and municipalities by Pinelands Commission ..... (300,000)
Mosquito control, research, administration, and operations ..... (400,000)
Grants for historic restoration in the capital city ..... (100,000)

The unexpended balance as of June 30, 1981 in the Mosquito control, research, administration and operations account and the Payment in lieu of taxes on real property acquired for future water supply facilities, recreation and conservation purposes account and the Aid to environmental agencies for urban environmental concerns account are appropriated.

The amount hereinabove for Mosquito control, research, administration and operations shall be available to the State Mosquito Control Commission; provided, however, that an amount not to exceed $75,000 be available to the Department of Environmental Protection for the administration and coordination of such programs.

The unexpended balance as of June 30, 1981, of receipts, and any additional receipts derived from the rental of property acquired (C58:21A–1 et seq.; C58:21B–1 et seq.; PL 1971, c. 165; PL 1974, c. 102 and PL 1978, c. 118), are hereby appropriated for payments in lieu of taxes on such properties and for maintenance of such properties.

Total Appropriation, Department of Environmental Protection	$4,659,519*

DEPARTMENT OF HEALTH

Physical and Mental Health

25 Health Administration—State Aid

10-4225	Local Health and Regional Operations ..	$11,367,839*
	Total Appropriation, Health Administration	$11,367,839*

Personal Services:
Salaries and wages .....($271,385)
Materials and Supplies .....(2,160)
Services Other Than Personal .....(55,100)
Maintenance and Fixed Charges ....(13,370)
State Aid:
Assistance to public general hospitals .....(8,600,000*)
Community health services .....(2,425,824)

The unexpended balance as of June 30, 1981 in this account is appropriated.

The capitation is set at 25 cents for the year ending June 30, 1982 for the purposes prescribed (C26:2F–1 et seq.).

Total Appropriation, Department of Health $11,367,893*

DEPARTMENT OF HIGHER EDUCATION

Educational, Cultural and Intellectual Development

Higher Educational Services—State Aid

06-5400 Aid to County Colleges $67,522,832

Total Appropriation $67,522,832

State Aid:
Operational costs .....($55,462,400)
Debt service (NJS 18A:64A–22) ..(2,060,332)
Capital projects .....(200,100)
Employer contributions, alternate benefit program .....(9,800,000)

The unexpended balance as of June 30, 1981 in this account is appropriated.

It is the intent of the budget recommendation to fund a total enrollment during the 1981-82 fiscal year of 72,500 equated full-time students * and no adjustment shall be payable in future fiscal years to compensate any county college or any county-assisted junior college for enrollment in excess of its proportionate share of said total. *

Of the amount hereinabove for the Department of Higher Education, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's budget first shall be charged to the State Lottery Fund:

Aid to County colleges for operational costs	($55,462,400)
Total Appropriation, Department of Higher Education	$67,522,832

*

DEPARTMENT OF HUMAN SERVICES

Physical and Mental Health—State Aid

23 Mental Health Services

7700 Division of Mental Health and Hospitals

08-7700	Community Services	$34,512,708
	Total Appropriation, Division of Mental Health and Hospitals	$34,512,708

State Aid:

Support of patients in county mental hospitals	($25,000,000)
Establishment, development, improvement and expansion of community mental health services	(7,335,808)
Establishment, development, improvement and expansion of community mental health services, including services to children	(2,176,900)

Funds hereinabove for Establishment, development, improvement and expansion of community mental health services shall be available for training stipends, training programs and support of demonstration projects in mental health, to the extent that the appropriation exceeds the funds required for the aid program.

The sums hereinabove shall be available for payment of obligations applicable to prior fiscal years.

24 Special Health Services—State Aid

7540 Division of Medical Assistance and Health Services

22-7540	General Medical Services	$403,778,100*
	Total Appropriation, Division of Medical Assistance and Health Services	$403,778,100*

State Aid:

Payments for medical assistance recipients (State share)	($377,753,100)
Payments for medical assistance recipients—Reserve (State share)	(24,995,000)
To provide pharmacists with a thirty*-cent per prescription increase in their Medicaid dispensing fee	(1,030,000*)

All funds recovered (C30:4D–1 et seq.) during the fiscal year ending June 30, 1982 are appropriated.

The amounts hereinabove for Payments for medical assistance recipients shall be available for the payment of obligations applicable to prior fiscal years.

Reimbursements for services provided for recipients of other jurisdictions, as established by interstate agreements, which represent the State share of medical assistance are hereby appropriated to the Division of Medical Assistance and Health Services for the purpose of making further payments of medical assistance.

Expenditures from the Payments for Medical Assistance recipients—Reserve (State share) account shall be made only upon approval of the Director of the Division of Budget and Accounting with advice to the Subcommittee on Tranfers of the Joint Appropriations Committee.

Economic Planning, Development and Security
53 Economic Assistance and Security—State Aid
7550 Division of Public Welfare

15-7550	Income Maintenance	$260,622,355
	Total Appropriation, Division of Public Welfare	$260,622,355

State Aid:

Payments to municipalities for cost of general assistance (State share)	($35,000,000)
Payments for dependent children assistance regular segment (State share)	(190,216,824)
Payments for emergency assistance (State share)	(1,745,000)
Payments for supplemental security income (State share)	(19,898,000)
Payments for dependent children assistance, unemployment of father (State share)	(8,349,270)
Payments for dependent children assistance, insufficient employment of parents (State share)	(5,413,261)

The net State share of reimbursements and the net balances remaining after full payment of sums due the Federal government of all funds recovered under RS 44:7–14, C44:10–4 et seq., C30:4B–1 et seq. and C44:13–1 et seq., during the fiscal year ending June 30, 1981 are appropriated.

Receipts from State administered towns during the fiscal year ending June 30, 1982 are appropriated.

A portion of the amount hereinabove for Income Maintenance shall be made available to support costs related to the implementation of the Wage Reporting Act.

A portion of the amount hereinabove for Payments to municipalities for cost of general assistance (State share), not to exceed $1,250,000, shall be available for transfer to the Department of Labor, Division of Employment Services, for support costs related to the Workfare program (C44:8–108 et seq.). Any funds transferred to the Department of Labor and Industry shall be used solely to fund employability teams and other costs to implement this general assistance work program.

Public assistance in those programs without Federal aid shall only be provided to United States citizens and lawfully admitted aliens. The Division shall require documentation to verify citizenship or lawfully admitted alien status.

The sum hereinabove shall be available for payment of obligations applicable to prior fiscal years.

Any change by the Department of Human Services in the standards upon which or from which grants of categorical public assistance are determined shall first be approved by the Director, Division of Budget and Accounting.

55 Related Social Services Programs—State Aid

7570 Division of Youth and Family Services

26-7570	Child Care Services	$33,400,000
	Total Appropriation, Division of Youth and Family Services	$33,400,000

State Aid:

Maintenance to children residing with families	($18,748,600)
Residential services	(12,826,700)
Independent living	(450,000)
Juveniles in need of supervision ...	(190,000)
Acute care community units and shelters	(1,184,700)

Funds recovered (C30:4C–1 et seq.) during the fiscal year ending June 30, 1982, are appropriated.

The amount hereinabove shall be reduced by the amount of additional Federal funds made available for AFDC-Foster care, as the Director, Division of Budget and Accounting shall determine, and such reduction shall be lapsed into the General Fund.

Of the amount hereinabove for Foster care the Division of Youth and Family Services may expend up to $250,000 to provide emergency services funds to families with children, to prevent the out-of-home placement of such children; such funds shall be utilized to assist with the relocation of a family in an emergency situation when other funds are not available.

Of the amount hereinabove for Foster care, the Division of Youth and Family Services may expend funds for recruitment of foster and adoptive families and for training and related activities intended to assist foster families and prospective adoptive families in better meeting their responsibility.

The sums hereinabove shall be available for the payment of obligations applicable to prior fiscal years.

Any change by the Department of Human Services in the rates paid for the Foster Care and Adoption Subsidy Programs first shall be approved by the Director, Division of Budget and Accounting.

	Total Appropriation, Department of Human Services	$732,313,163*

DEPARTMENT OF LAW AND PUBLIC SAFETY

Public Safety and Criminal Justice

12 Law Enforcement

06-1200	Patrol Activities and Crime Control	$58,000
07-1200	Police Services and Public Order	76,000
09-1020	Criminal Justice	874,135
99-1200	Management and Administrative Services	45,000
	Total Appropriation, Law Enforcement	$1,053,135

State Aid:		
Prosecutor's management information system (PROMIS)	($835,135)	
State Police radio frequency coordination	(58,000)	
State Police juvenile justice training	(76,000)	
State Police instructor training	(45,000)	
Criminal Justice prosecutorial training	(39,000)	
Total Appropriation, Department of Law and Public Safety		**$1,053,135**

DEPARTMENT OF TRANSPORTATION

Transportation Services

62 Public Transportation—State Aid

The unexpended balance as of June 30, 1981 in this account is appropriated.

63 Local Highway Facilities—State Aid

80-6220	County and Municipal Aid	$1,450,000
88-6220	Local Aid Engineering and Project Administration	$2,029,831
	Total Appropriation, Local Highway Facilities	$3,479,831

Personal Services:		
Salaries and wages	($1,855,131)	
Materials and Supplies	(59,100)	
Services Other Than Personal	(110,100)	
Maintenance and Fixed Charges	(500)	
State Aid:		
County and municipal aid for lighting	(1,450,000)	
Additions, Improvements and Equipment	(5,000)	

The unexpended balance as of June 30, 1981 in this account is appropriated.

Capital construction funds are hereby available for allotment by the Commissioner of Transportation, subject to the approval of the Director of the Division of Budget and Accounting, to provide the non-Federal share of Construction of local highway facilities.

Amounts hereinabove are available for Capital construction projects as the Commissioner of Transportation shall determine, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other requirement of law, the Department may expend necessary sums for improvements to streets and roads providing access to State facilities within the Capital city without local participation.

There is hereby appropriated from the Transportation Rehabilitation and Improvement Fund, the sum of $1.5 million for Urban Revitalization to provide funding for improvements to Market Street in the City of Trenton.

	Total Appropriation, Department of Transportation	$3,479,831

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

75 State Subsidies and Financial Aid—State Aid

28-2077	County Boards of Taxation	$647,525
29-2088	Locally Provided Services	13,050,000
30-2081	Railroad Property Taxes	3,900,000
31-2082	Business Personal Property Tax Replacement	158,703,834
35-2087	Consolidated Police and Firemen's Pension Fund	6,100,000
36-2081	Municipal Purposes Tax Assistance Program	30,500,000
	Total Appropriation, State Subsidies and Financial Aid	$212,901,359

Personal Services:	
County Tax Board members (69)	($647,500)
Services Other Than Personal	(25)
State Aid:	
Payments to municipalities for services to State owned property	(13,000,000)
Payments to municipalities in lieu of railroad property tax	(3,900,000)
Payments to municipalities to replace property tax on business personalty	(158,703,834)
Payments to municipalities pursuant to Municipal Purposes Tax Assistance Program (PL 1980, c. 12)	(30,500,000)
Tuition payments for local assessors and staff	(50,000)
State contribution to consolidated police and firemen's pension fund	(6,100,000)

The expenditure of funds for tuition payments for local assessors and staff shall be subject to regulations established by the Director of the Division of Taxation.

In addition to the amount hereinabove, there are appropriated such additional sums as may be required for the payment of State aid to certain municipalities in which railroad property is located (C54:29A–1 et seq.).

Notwithstanding the provisions of C54:10A–3 et seq., there are appropriated so much of the proceeds derived from the taxes collected from banking corporations pursuant to the Corporation Business Tax Act and the Business Personal Property Tax Act as may be required for payment to the local taxing districts; provided, however, that the sum apportioned to the several counties of the State shall not be distributed and shall be anticipated as revenue for general State purposes; provided further, however, that the loss of revenue to counties be treated as an exception to the spending limitation set forth in C40A:4–45.4

and such revenue loss to counties shall be adjusted for in the calculation of the 5% spending limit.

Notwithstanding the provisions of C54:10B–2 et seq., there are appropriated so much of the proceeds derived from the imposition of the financial business tax as may be required for payment to the local taxing districts; provided, however, that the sum apportioned to the several counties of the State shall not be distributed and shall be anticipated as revenue for general State purposes; provided further, however, that the loss of revenue to counties be treated as an exception to the spending limitation set forth in C40A:4-45.4 and such revenue loss to counties shall be adjusted for in the calculation of the 5% spending limit.

There are appropriated so much of the proceeds derived from the taxes collected, pursuant to the Public Utilities Franchise Tax and the Public Utilities Gross Receipts Tax, as may be required for payment to the local taxing districts (C54:30A–16 et seq. and C54:30A–49 et seq.).

The unexpended balance as of June 30, 1981 from the taxes collected pursuant to PL 1940, c. 4 (C54:30A–16 et seq.) and PL 1940, c. 5 (C54:30A–49 et seq.) shall lapse.

There are appropriated so much of the proceeds of taxes derived from the fire insurance premiums as may be required for payment to the New Jersey Firemen's Home and the New Jersey Firemen's Association. (RS 54:17–4).

Total Appropriation, Department of the Treasury	$212,901,359
Total Appropriation, State Aid	$1,962,753,563*

Whenever any county, municipality, or school district entitled to receive State aid from appropriations made herein, withholds funds from State agencies entitled to payment for services, the Director of the Division of Budget and Accounting is authorized to withhold State aid payments

to such county, municipality, or school district and transfer same as payment for funds so withheld.

Notwithstanding any other statute which establishes a payment date for a State aid appropriation, the Treasurer, in his discretion, may delay such payment date in order to coordinate the disbursement with available cash balances in the General Fund.

Whenever the sum provided hereinabove for a State aid payment pursuant to a formula is insufficient to meet the full requirement of such formula, all recipients of such State aid shall have their allocation proportionately reduced.

Any qualifying State aid appropriation, or part thereof, made from the General Fund may be transferred and recorded as an appropriation from the Property Tax Relief Fund, as deemed necessary by the State Treasurer, and with the approval of the Sub-committee on Transfers of the Joint Appropriations Committee, in order that the Director of the Division of Budget and Accounting may warrant the necessary payments; provided, however, that the available unrestricted fund balance in the Property Tax Relief Fund, as determined by the State Treasurer, is sufficient to support such expenditure.

CAPITAL CONSTRUCTION

DEPARTMENT OF DEFENSE

Public Safety and Criminal Justice

14 Military Services

Capital Projects:		
Paterson armory, planning and design	($36,000)	
Mercer airport, armory addition, planning and design	(14,000)	
Major maintenance and handicapped access projects	(500,000)	
Total Appropriation, Department of Defense		$550,000

DEPARTMENT OF EDUCATION

Educational, Cultural and Intellectual Development

32 Operation and Support of Educational Institutions

5010 Division of Field Services

Capital Project:
Roof replacement, Newark Skills Center ..... ($142,000)

Educational, Cultural and Intellectual Development

37 Cultural and Intellectual Development Services

5070 Division of the State Library

Capital Project:
Records storage center/Library for the blind and handicapped ..... ($1,900,000)
Total Appropriation, Department of Education $2,042,000

DEPARTMENT OF ENERGY

Educational, Cultural and Intellectual Development

37 Cultural and Intellectual Development Services

10 Public Broadcasting Services

Capital Project:
Purchase and replacement of equipment ..... ($400,000)
Total Appropriation, Department of Energy $400,000

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Community Development and Environmental Management

42 Natural Resource Management

Proceeds derived from the sale or exchange of State-owned Delaware and Raritan Canal land, and/or buildings, heretofore acquired under RS 13:13–1 et seq., are appropriated for acquisition of and/or easement over adjacent lands for the purpose of protecting Delaware and Raritan Canal water-

ways, rehabilitation of existing flood guard and towpath embankments and related appurtenances thereto and replacing Delaware and Raritan Canal maintenance service centers.

The unexpended balance as of June 30, 1981 in the account Shore protection project—Shark River inlet shall lapse.

45 Recreational Resource Management

Capital Project:
Multiple use historic sites ..... ($500,000)

Notwithstanding the provisions of C52:34–6 et seq., the Department of Environmental Protection may enter into a contract with the Waterloo Foundation for the Arts for improvements to existing State-owned structures at Waterloo Village, or for the construction of new facilities at Waterloo Village.

45 Recreational Resource Management
4876 Palisades Interstate Park Commission

Capital Project:
Parkway improvements ..... ($100,000)

The net share of revenues derived from the operation of gasoline stations on the New Jersey section of the Palisades Interstate Parkway, and the unexpended balances of such revenues, as of June 30, 1981, are appropriated for capital projects and plans.

Funds hereinabove shall be provided as the State share for Federal aid highway projects.

Total Appropriation, Department of Environmental Protection $600,000

DEPARTMENT OF HEALTH

4280 Division of Laboratories and Research

Physical and Mental Health

21 Health Services

Capital Project:		
Laboratory equipment	($400,000)	
Total Appropriation, Department of Health		$400,000

DEPARTMENT OF HIGHER EDUCATION

Educational, Cultural and Intellectual Development

36 Higher Educational Services

5400 Office of the Chancellor

Capital Project:		
Renovation and maintenance projects—Higher Education Facilities	($2,000,000)	
Total Appropriation, Department of Higher Education		$2,000,000

DEPARTMENT OF LAW AND PUBLIC SAFETY

Public Safety and Criminal Justice

12 Law Enforcement

Capital Project:		
Truck weighing stations	($304,000)	
Total Appropriation, Department of Law and Public Safety		$304,000

DEPARTMENT OF TRANSPORTATION

Transportation Services

61 State Highway Facilities

08-6200	Physical Plant	$1,500,000
10-6200	Federal Aid Interstate Highway Projects	7,000,000
60-6200	Non-Federal Aid Highway Projects	5,000,000
71-6200	Transportation Construction Engineering	13,423,189
	Total Appropriation, State Highway Facilities	$26,923,189

Personal Services:		
Salaries and wages	($10,061,878)	
Positions transferred from other Statewide programs	(12,861)	
Materials and Supplies	(499,100)	
Services Other Than Personal	(2,704,150)	
Maintenance and Fixed Charges	(55,200)	
Capital Projects:		
Correction of asbestos problem at Transportation Department office building	(1,500,000)	
Federal Aid Interstate Highway Projects	(7,000,000)	
Betterments—Construction, reconstruction, improvement or rebuilding of State highways, including resurfacing and major repairs or rehabilitation	(4,000,000)	
Non-Federal Aid Highway Projects	(1,000,000)	
Additions, Improvements and Equipment	(90,000)	
Total Appropriation, Department of Transportation		$26,923,189

From the amount hereinabove for Construction there may be allocated such amounts as the Commissioner of Transportation may determine, with the approval of the Director of the Division of Budget and Accounting, for personal services by contract or, in lieu thereof, by State employees for planning, engineering, design, research, construction, right-of-way acquisition or other costs related to the construction program.

The sums hereinabove for Construction shall be set forth in a construction program by the Commissioner of Transportation, with the approval of the Director of the Division of Budget and Accounting, and not be expended or contracted for without the approval of the Governor.

Funds hereinabove shall be available for construction of local highway facilities and public transportation capital purposes.

Any appropriation herein or heretofore made for projects and programs within the purview of C54:8–1 et seq. (Emergency Transportation Tax Act), as determined by the Director of the Division of Budget and Accounting, first shall be charged to the Transportation Fund established in such act.

Receipts representing the State share from the rental or lease of property, and the unexpended balances as of June 30, 1981 of such receipts, are appropriated for maintenance or improvement of transportation property, equipment and facilities.

In addition to the amount hereinabove for State Highway Facilities, such other sums as the Director of the Division of Budget and Accounting shall determine, provided in interdepartmental accounts for employee benefits be considered as appropriated on behalf of State Highway Construction and Transportation Construction Engineering and be available for matching Federal funds.

The Department shall be permitted to transfer funds in an amount as approved by the Director of the Division of Budget and Accounting from the Capital Construction betterments accounts to Direct State Services for highway maintenance.

There is appropriated from the Transportation Rehabilitation and Improvement Fund the sum of $4,200,000 for planning, engineering design, right-of-way acquisition or other costs related to the construction of projects financed from the fund.

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

74 General Government Services

Capital Projects:		
Planning and Maintenance Improvement Program	($200,000)	
Replace roof, Distribution Center	(506,000)	
Roof replacement and structural repairs, Education building	(700,000)	
Modify electrical transformers, Labor and Industry building	(160,300)	
Uninterrupted power supply, computer room, Labor and Industry building	(750,000)	
Modify heating and ventilation system, Cultural Center	(1,574,900)	
Retrofit and modify elevators, Capitol Complex	(900,000)	
Replace cooling coils, Health and Agriculture building	(138,200)	
Renovate State House, State House Annex and other buildings	(500,000)	
Waterproof tunnels between State House and Library	(265,600)	
Replace sidewalks and curbs, Capitol Complex	(50,000)	
Vibration isolators and heating and ventilation system rebalancing, Education building	(62,000)	
Modification of sprinkler and exhaust system, Labor and Industry building	(80,000)	
Total Appropriation, Department of the Treasury		$5,887,000

MISCELLANEOUS EXECUTIVE COMMISSIONS

Community Development and Environmental Management

43 Environmental Quality

9140 Delaware River Basin Commission

Capital Project:		
Amortization of multipurpose dams	($2,000)	
Total Appropriation, Miscellaneous Executive Commissions		$2,000
Total Appropriation, Capital Construction		$39,108,189

Funds derived from the sale of any lands and buildings or proceeds from the sale of all fill material held by a department are appropriated for demolition, acquisition of land, rehabilitation or improvement of existing facilities and construction of new facilities for use by that department, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 1981, in all capital accounts are appropriated.

DEBT SERVICE

DEPARTMENT OF COMMUNITY AFFAIRS

Government Direction, Management and Control

76 Management and Administration

99-8070	Interest on Bonds	$1,465,290
99-8070	Redemption of Bonds	1,350,000
	Total Appropriation, Department of Community Affairs	$2,815,290

Interest on Bonds:

Interest on State Housing Assistance Bonds (PL 1968, c. 127)	($418,300)
Interest on State Mortgage Assistance Bonds (PL 1976, c. 94)	(1,046,990)

Redemption of Bonds:	
Redemption of State Mortgage Assistance Bonds (PL 1968, c. 127)	(600,000)
Redemption of State Mortgage Assistance Bonds (PL 1976, c. 94)	(750,000)

DEPARTMENT OF CORRECTIONS

Public Safety and Criminal Justice

19 Central Planning, Direction and Management

99-7000	Interest on Bonds	$2,919,320
99-7000	Redemption of Bonds	3,452,000
	Total Appropriation, Department of Corrections	$6,371,320

Interest on Bonds:	
Interest on Public Buildings Construction Bonds (PL 1968, c. 128)	($769,452)
Interest on Institutional Construction Bonds (PL 1978, c. 79)	(438,750)
Interest on State Institution Construction Bonds (PL 1960, c. 156)	(119,775)
Interest on New Jersey Institution Construction Bonds (PL 1964, c. 144)	(239,600)
Interest on Institutions Construction Bonds (PL 1976, c. 93)	(1,351,743)
Redemption of Bonds:	
Redemption of Public Buildings Construction Bonds (PL 1968, c. 128)	(859,000)
Redemption of State Institution Construction Bonds (PL 1960, c. 156)	(675,000)
Redemption of New Jersey Institution Construction Bonds (PL 1964, c. 144)	(900,000)
Redemption of Institutions Construction Bonds (PL 1976, c. 93)	(778,000)
Redemption of Institutional Construction Bonds (PL 1978, c. 79)	(240,000)

DEPARTMENT OF EDUCATION

Educational, Cultural and Intellectual Development

35 Education Administration and Management

99-5095	Interest on Bonds	$2,304,938
99-5095	Redemption of Bonds	3,831,000
	Total Appropriation, Department of Education	$6,135,938

Interest on Bonds:
- Interest on Public Buildings Construction Bonds (PL 1968, c. 128) ($997,075)
- Interest on State Facilities for Handicapped (PL 1973, c. 149) ..(1,212,800)
- Interest on Institutional Construction Bonds (PL 1978, c. 79) .....(95,063)

Redemption of Bonds:
- Redemption of Public Buildings Construction Bonds (PL 1968, c. 128) .....(1,079,000)
- Redemption of State Facilities for Handicapped Bonds (PL 1973, c. 149) .....(2,700,000)
- Redemption of Institutional Construction Bonds (PL 1978, c. 79) .(52,000)

DEPARTMENT OF ENERGY

Educational, Cultural and Intellectual Development

37 Cultural and Intellectual Development Services

99-4050	Interest on Bonds	$271,907
99-4050	Redemption of Bonds	294,000
	Total Appropriation, Department of Energy	$565,907

Interest on Bonds:
- Interest on Public Buildings Construction Bonds (PL 1968, c. 128)($271,907)

Redemption of Bonds:
- Redemption of Public Buildings Construction Bonds (PL 1968, c. 128) .....(294,000)

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Community Development and Environmental Management

46 Environmental Planning and Administration

99-4800	Interest on Bonds	$24,401,589
99-4800	Redemption of Bonds	27,445,000
	Total Appropriation, Department of Environmental Protection	$51,846,589

Interest on Bonds:

Interest on State Recreation and Conservation Land Acquisition Bonds (PL 1961, c. 46)	($520,800)
Interest on Water Conservation Bonds (PL 1969, c. 127)	(8,945,464)
Interest on State Recreation and Conservation Land Acquisition Bonds (PL 1971, c. 165)	(3,401,680)
Interest on State Recreation and Conservation Land Acquisition and Development Bonds (PL 1974, c. 102)	(5,606,640)
Interest on Water Development Bonds (PL 1958, c. 35)	(369,250)
Interest on Clean Waters Bonds (PL 1976, c. 92)	(3,823,530)
Interest on Beaches and Harbors Bonds (PL 1977, c. 208)	(624,225)
Interest on Emergency Flood Control Bonds (PL 1978, c. 78)	(555,000)
Interest on State Land Acquisition and Development Bonds (PL 1978, c. 118)	(555,000)

Redemption of Bonds:

Redemption of State Recreation and Conservation Land Acquisition Bonds (PL 1961, c. 46)	($2,600,000)
Redemption of Water Conservation Bonds (PL 1969, c. 127)	(10,355,000)
Redemption of State Recreation and Conservation Land Acquisition Bonds (PL 1971, c. 165)	(2,830,000)

Redemption of State Recreation and Conservation Land Acquisition and Development Bonds (PL 1974, c. 102)	(4,930,000)	
Redemption of Water Development Bonds (PL 1958, c. 35)	(2,500,000)	
Redemption of Clean Waters Bonds (PL 1976, c. 92)	(3,230,000)	
Redemption of Beaches and Harbors Bonds (PL 1977, c. 208)	(200,000)	
Redemption of Emergency Flood Control Bonds (PL 1978, c. 78)	(400,000)	
Redemption of State Land Acquisition and Development Bonds (PL 1978, c. 118)	(400,000)	

DEPARTMENT OF HEALTH

Physical and Mental Health

25 Health Administration

99-4210	Interest on Bonds	$46,867
99-4210	Redemption of Bonds	106,000
	Total Appropriation, Department of Health	$152,867

Interest on Bonds:

Interest on Public Buildings Construction Bonds (PL 1968, c. 128)	($46,867)	

Redemption of Bonds:

Redemption of Public Buildings Construction Bonds (PL 1968, c. 128)	(106,000)	

DEPARTMENT OF HIGHER EDUCATION

Educational, Cultural and Intellectual Development

36 Higher Educational Services

99-5400	Interest on Bonds	$20,382,255
99-5400	Redemption of Bonds	21,252,000
	Total Appropriation, Department of Higher Education	$41,634,255

Interest on Bonds:	
Interest on Public Buildings Construction Bonds (PL 1968, c. 128)	($7,342,230)
Interest on State Higher Education Construction Bonds (PL 1964, c. 142)	(626,800)
Interest on Higher Education Building Construction Bonds (PL 1971, c. 164)	(6,594,125)
Interest on Medical Education Facilities Bonds (PL 1977, c. 235)	(5,819,100)
Redemption of Bonds:	
Redemption of Public Building Construction Bonds (PL 1968, c. 128)	(7,952,000)
Redemption of State Higher Education Construction Bonds (PL 1964, c. 142)	(2,800,000)
Redemption of Higher Education Building Construction Bonds (PL 1971, c. 164)	(6,500,000)
Redemption of New Jersey Medical Education Facilities Bonds (PL 1977, c. 235)	(4,000,000)

DEPARTMENT OF HUMAN SERVICES

Government Direction, Management and Control

76 Management and Administration

99-7500	Interest on Bonds	$5,684,846
99-7500	Redemption of Bonds	7,379,000
	Total Appropriation, Department of Human Services	$13,063,846

Interest on Bonds:	
Interest on Public Buildings Construction Bonds (PL 1968, c. 128)	($2,809,519)
Interest on Institutional Construction Bonds (PL 1978, c. 79)	(862,875)
Interest on State Institution Construction Bonds (PL 1960, c. 156)	(199,625)

Interest on New Jersey Institution Construction Bonds (PL 1964, c. 144)	(	558,800)
Interest on Institution Construction Bonds (PL 1976, c. 93)	(	1,254,027)
Redemption of Bonds:		
Redemption of Public Buildings Construction Bonds (PL 1968, c. 128)	(	$2,960,000)
Redemption of State Institution Construction Bonds (PL 1960, c. 156)	(	1,125,000)
Redemption of New Jersey Institution Construction Bonds (PL 1964, c. 144)	(	2,100,000)
Redemption of Institution Construction Bonds (PL 1976, c. 93)		722,000)
Redemption of Institutional Construction Bonds (PL 1978, c. 79)	(	472,000)

DEPARTMENT OF LAW AND PUBLIC SAFETY

Public Safety and Criminal Justice

12 Law Enforcement

99-1050	Interest on Bonds	$65,812
99-1050	Redemption of Bonds	36,000
	Total Appropriation, Department of Law and Public Safety	$101,812

Interest on Bonds:		
Interest on Institutional Construction Bonds (PL 1978, c. 79)	(	$65,812)
Redemption of Bonds:		
Redemption of Institutional Construction Bonds (PL 1978, c. 79)	(	36,000)

New Jersey State Library

DEPARTMENT OF TRANSPORTATION

Transportation Services

64 Planning and General Management Support

99-6000	Interest on Bonds	$29,297,059
99-6000	Redemption of Bonds	27,730,000
	Total Appropriation, Department of Transportation	$57,027,059

Interest on Bonds:

	Interest on Highway Improvement and Grade Crossing Elimination Bonds (PL 1930, c. 228)	($60,648)
	Interest on State Transportation Bonds (PL 1968, c. 126)	(25,696,411)
	Interest on Transportation Rehabilitation and Development Bonds (PL 1979, c. 165)	(3,540,000)

Redemption of Bonds:

	Redemption of Highway Improvement and Grade Crossing Elimination Bonds (PL 1930, c. 228)	(720,000)
	Redemption of State Transportation Bonds (PL 1968, c. 126)	(27,010,000)
	Total Appropriation, Debt Service	$179,714,883

Such sums as may be necessary for payment of interest and/or principal due from the issuance of any bonds authorized under the several bond acts of the State, are appropriated and first shall be charged to the earnings from the investment of such bond proceeds.

Total Appropriation, General Fund $4,221,079,937*

PROPERTY TAX RELIEF FUND

DIRECT STATE SERVICES

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

73 Financial Administration

15-2080	Processing and Administration	$10,853,435
	Total Appropriation, Financial Administration	$10,853,435

Special Purpose:
Administrative costs of the collection of the Gross Income Tax ...($8,137,355)
Administrative costs of paying homestead exemptions .....(2,716,080)

The amount hereinabove is hereby appropriated from the Property Tax Relief Fund.

In addition to the amount hereinabove, there are appropriated additional sums as may be required for collection of the Gross Income Tax and the administration of the Homestead Exemptions Act, subject to the approval of the Director of the Division of Budget and Accounting.

Total Appropriation, Department of the Treasury	$10,853,435
Total Appropriation, Direct State Services.	$10,853,435

STATE AID

DEPARTMENT OF EDUCATION

Educational, Cultural and Intellectual Development

31 Direct Educational Services and Assistance

01-5120	General Formula Aid	$761,813,591
05-5120	Bilingual Education Programs	11,030,396
06-5120	Compensatory Education Programs	59,965,239
07-5120	Special Education Programs	137,886,375
	Total Appropriation, Direct Educational Services and Assistance	$970,695,601

State Aid:

Current expense equalization aid	($761,813,591)
Bilingual education aid	(11,030,396)
Compensatory education aid	(59,965,239)
Special education	(137,886,375)

Total Appropriation, Department of Education	$970,695,601

The amount hereinabove is appropriated from the Property Tax Relief Fund.

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

75 State Subsidies and Financial Aid

32-2071	Revenue Sharing	$50,000,000
33-2076	Homestead Exemptions	205,000,000
34-2078	Reimbursement—Senior/Disabled Citizens' and Veterans' Tax Exemptions	50,000,000
	Total Appropriation, State Subsidies and Financial Aid	$305,000,000

State Aid:

Distribution of revenue sharing funds to qualifying municipalities	($50,000,000)
Payments to homeowners for homestead exemptions	(205,000,000)
State reimbursement to municipalities for senior/disabled citizens' and veterans' tax exemptions	(50,000,000)

The amount hereinabove is appropriated from the Property Tax Relief Fund.

In addition to the amount hereinabove, there are appropriated from the Property Tax Relief Fund such additional sums as may be required for State reimbursement to municipalities for the senior/disabled citizens' and veterans' tax exemptions and for additional payments to homeowners qualifying for homestead exemptions.

Notwithstanding the provisions of C54:10–4, the amount of revenue sharing paid by the State to municipalities for the calendar year 1981 shall be the same amount which was paid during calendar year 1980.

Total Appropriation, Department of the Treasury	$305,000,000
Total Appropriation, State Aid	$1,275,695,601
Total Appropriation, Property Tax Relief Fund	$1,286,549,036

Any appropriation or part thereof made from the Property Tax Relief Fund may be transferred and recorded as an appropriation from the General Fund, as deemed necessary by the State Treasurer, and with the approval of the Subcommittee on Transfers of the Joint Appropriations Committee, in order that the Director of the Division of Budget and Accounting may warrant the necessary payments; provided, however, that the available unrestricted fund balance in the General Fund, as determined by the State Treasurer, is sufficient to support such appropriation.

CASINO CONTROL FUND

DEPARTMENT OF LAW AND PUBLIC SAFETY

Public Safety and Criminal Justice

13 Special Law Enforcement Activities

30-1460	Gaming Enforcement	$18,394,000
	Total Appropriation, Special Law Enforcement Activities	$18,394,000

Personal Services:

Salaries and wages	($5,962,705)
Positions converted	(2,582,040)
New positions	(519,810)
Cash in lieu of maintenance	(463,320)
Employee benefits	(2,258,920)

Materials and Supplies	(	952,375)
Services Other Than Personal	(	3,346,046)
Maintenance and Fixed Charges	(	1,043,494)
Special Purpose:		
Compensation awards	(	4,290)
Indirect Costs	(	711,000)
Additions, Improvements and Equipment	(	550,000)

The amount hereinabove for Gaming Enforcement is appropriated from the Casino Control Fund.

In addition to the amount hereinabove for Gaming Enforcement, there are appropriated from the Casino Control Fund, such additional sums as may be required for the operation of the Division of Gaming Enforcement, subject to the approval of the Director of the Division of Budget and Accounting.

Total Appropriation, Department of Law and Public Safety	$18,394,000

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

73 Financial Administration

25-2095	Administration of Casino Gambling	$11,570,865
	Total Appropriation, Financial Administration	$11,570,865

Personal Services:		
Chairman	(	$65,000)
Commission members (4 @ $60,000)	(	240,000)
Salaries and wages	(	5,765,106)
Positions established from lump sum appropriation	(	1,787,537)
Employee benefits	(	1,607,147)
Materials and Supplies	(	212,850)
Services Other Than Personal	(	823,850)
Maintenance and Fixed Charges	(	578,375)

Special Purpose:		
Indirect costs	(450,000)	
Additions, Improvements and Equipment	(41,000)	

The amount hereinabove for Administration of Casino Gambling is appropriated from the Casino Control Fund.

In addition to the amount hereinabove for Administration of Casino Gambling, there are appropriated from the Casino Control Fund such additional sums as may be required for expenses of the Casino Control Commission, subject to the approval of the Director of Budget and Accounting.

Total Appropriation, Department of the Treasury	$11,570,865
Total Appropriation, Casino Control Fund	$29,964,865

CASINO REVENUE FUND

DIRECT STATE SERVICES

DEPARTMENT OF HUMAN SERVICES

Economic Planning, Development and Security

53 Economic Assistance and Security

28-7540	Lifeline Credit Program	$61,115,945
	Total Appropriation, Economic Assistance and Security	$61,115,945

Personal Services:		
Positions established from a lump sum appropriation	($745,000)	
Employee benefits	(112,945)	
Materials and Supplies	(62,000)	
Services Other Than Personal	(544,000)	
Maintenance and Fixed Charges	(47,600)	

Grants:	
Payment of utility credits	(31,000,000)
Tenant utility rebate credit subject to enactment of enabling legislation	(28,000,000)
Tenant utility rebate credit—administration subject to enactment of enabling legislation	(600,000)
Additions, Improvements and Equipment	(4,400)

The amount hereinabove is appropriated from the Casino Revenue Fund.

In addition to the amount hereinabove, there are appropriated from the Casino Revenue Fund such additional sums as may be required for administration and for payments to additional persons qualifying for the utility credit.

Total Appropriation, Department of Human Services	$61,115,945
Total Appropriation, Direct State Services	$61,115,945

STATE AID

DEPARTMENT OF THE TREASURY

Government Direction, Management and Control

75 State Subsidies and Financial Aid

33-2076	Homestead Exemptions	$80,000,000
34-2076	Reimbursement—Senior and Disabled Citizens' Tax Exemptions	$12,600,000
	Total Appropriation, State Subsidies and Financial Aid	$92,600,000

State Aid:

Payments to senior citizens or disabled homeowners for the added exemption of $50 permitted under the Homestead exemption program	($17,000,000)

Payments to senior citizens or disabled homeowners for regular Homestead Rebates	(63,000,000)	
Reimbursement to municipalities for increase from $160 to $200 for senior citizens' and disabled citizens' tax exemption, subject to enactment of enabling legislation	(11,000,000)	
Reimbursement to municipalities for senior citizens' and disabled citizens' tax exemption on certain mobile homes, subject to enactment of enabling legislation	(1,600,000)	

The amount hereinabove is appropriated from the Casino Revenue Fund.

In addition to the amount hereinabove, there are appropriated from the Casino Revenue Fund such additional sums as may be required for payments to senior citizens or disabled homeowners, or reimbursements to municipalities qualifying for such payments or reimbursements.

Total Appropriation, Department of the Treasury	$92,600,000
Total Appropriation, State Aid	$92,600,000
Total Appropriation, Casino Revenue Fund	$153,715,945

GUBERNATORIAL ELECTIONS FUND

DEPARTMENT OF LAW AND PUBLIC SAFETY

Public Safety and Criminal Justice

13 Special Law Enforcement Activities

The unexpended balance as of June 30, 1981 in the Gubernatorial Elections Fund is appropriated.

In addition to the amount hereinabove, there is appropriated from the Gubernatorial Elections Fund such additional sum as may be required for

payments to additional persons qualifying for public funds; provided, however, that should the amount available in the Gubernatorial Elections Fund be insufficient to support such appropriation, there be appropriated from the General Fund, as a loan to the Gubernatorial Elections Fund, such sum as may be required.

Grand Total Appropriation, All Funds $5,691,309,783*

2. In addition to the amounts hereinabove, there are appropriated, subject to allotment by the Director of the Division of Budget and Accounting and with the approval of the Legislative Budget Officer, the following: sums required to refund amounts credited to the State Treasury which do not represent State revenue; Federal, other non-State, revolving and dedicated funds received or receivable for the use of the State or its agencies in excess of those anticipated, unless otherwise provided herein, and the unexpended balances as of June 30, 1981 of such sums; sums received representing insurance to cover losses by fire and other casualties and the unexpended balance as of June 30, 1981 of such sums; sums received by any State department or agency from the sale of equipment, when such sums are received in lieu of trade-in value in the replacement of such equipment; private funds contributed to the State and the unexpended balance as of June 30, 1981 of such sums; sums received in the State Treasury representing refunds of payments made from appropriations provided in this act.

3. In order that there be flexibility in the handling of appropriations, any department or agency, except the Legislature, receiving an appropriation by any act of the Legislature may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item granted to such department or agency to any other item in such appropriation, provided that such transfer is not between a State Aid account and either a Direct State Services or a Capital Construction account, except as hereinafter provided. Such application shall be made only during the current year for which the appropriation was made, and if the Director of the Division of Budget and Accounting shall consent thereto, he shall place the amount so transferred to the credit of the item so designated and so notify the Legislative Budget Officer upon the effective date thereof; provided, however, that cumulative transfers

in excess of $400,000 in any account, other than transfers from lump sum accounts and of non-State funds, shall be transmitted to the Legislative Budget Officer, for his approval or disapproval and returned to the Director of the Division of Budget and Accounting within five working days. No sum appropriated for any capital improvement, except as otherwise provided, shall be used for maintenance or for any temporary purpose except extraordinary snow removal and extraordinary transportation maintenance; provided, however, that any item for capital improvement may be transferred to any other item of capital improvement. Transfers between State Aid accounts and either Direct State Services or Capital Construction accounts may be made only if approved by the Subcommittee on Transfers of the Joint Appropriations Committee. Regarding appropriations made to the Legislature, upon request of the spending authority, the Legislative Budget Officer shall transfer part of any item to any other item within an appropriation and so notify the Director of the Division of Budget and Accounting upon the effective date thereof.

4. The Director of the Division of Budget and Accounting is empowered and it shall be his duty in the disbursement of funds appropriated for the maintenance and operation of any department or branch thereof, except for the Legislature and any of its agencies, the duties or responsibilities of which are or may hereafter be transferred to any other department or branch, to transfer such appropriations to such department or branch as shall be charged with the responsibility of administering the functions of such department or branch so transferred. The Director of the Division of Budget and Accounting shall have the authority to create such new accounts as may be necessary to carry out the intent of the transfer. Information copies of such transfers shall be transmitted to the Legislative Budget Officer, upon the effective date of such transfers. Where such transfers may be required among appropriations made to the Legislature and its agencies, the Legislative Budget Officer, subject to the approval of the President of the Senate and the Speaker of the General Assembly, is hereby empowered and it shall be his duty to effect such transactions hereinabove described and to notify the Director of the Division of Budget and Accounting upon the effective date thereof.

5. The Director of the Division of Budget and Accounting is empowered and it shall be his duty in the disbursement of funds for payment of pensions, contributions to pension funds, social security

tax, unemployment compensation and disability insurance contributions, employee benefits, debt service, charges for rent, telephone, motor pool, insurance and postage to credit or transfer to the Department of the Treasury, or to the General Fund, as applicable, from any other department, branch or non-State fund source out of funds appropriated thereto, such sums as may be required to cover the costs of such payment attributable to such other department, branch or non-State fund source as the Director of the Division of Budget and Accounting shall determine. Any receipts in any non-State fund are appropriated for the purpose of such transfer.

6. The Director of the Division of Budget and Accounting shall make such correction of the title, text or account number of an appropriation necessary to make such appropriation available in accordance with legislative intent. Such correction shall be by written ruling, reciting in appropriate detail the facts thereof, and the reasons therefor, attested by the signature of said Director of the Division of Budget and Accounting and filed in the Division of Budget and Accounting of the Department of the Treasury as an official record thereof, and any action thereunder, including disbursements and the audit thereof, shall be legally binding and of full force and virtue. An official copy of each such written ruling shall be transmitted to the Legislative Budget Officer, upon the effective date of such ruling.

7. The Director of the Division of Budget and Accounting is empowered to establish revolving and dedicated funds as required. Notice of the establishment of such funds shall be transmitted to the Legislative Budget Officer, upon the effective date thereof.

8. The Director of the Division of Budget and Accounting is empowered to transfer or credit to any central data processing center from any appropriation made to any department for data processing costs which had been appropriated or allocated to such department for its share of costs of such data processing center.

9. Upon request of any department receiving non-State funds, the Director of the Division of Budget and Accounting be empowered to transfer such funds from that department to other departments as may be charged with the responsibility for the expenditure thereof.

10. The Director of the Division of Budget and Accounting may, upon application therefor, allot from appropriations made to any official, department, commission or board, a sum to establish a

petty cash fund for the payment of expenses under rules and regulations established by said director. Allotments thus made by the Director of the Division of Budget and Accounting shall be paid to such person as shall be designated as the custodian thereof by the official, department, commission or board making a request therefor, and the money thus allotted shall be disbursed by such custodian who shall require a receipt therefor from all persons obtaining money from said fund. Such receipts shall be forwarded monthly by such custodian to the Director of the Division of Budget and Accounting for audit. Said director shall likewise make regulations governing disbursement from petty cash funds.

11. The Director of the Division of Budget and Accounting may settle any claim not exceeding $100 due and owing to the State.

12. Notwithstanding any other provisions of this act, the State Treasurer, upon warrant of the Director of the Division of Budget and Accounting, shall pay any claim not exceeding $500 out of any appropriations made to the several departments, provided such claim is recommended for payment by the head of such department. Any claimant who has presented a claim not exceeding $500 which has been denied or not recommended by the head of such department shall be precluded from presenting said claim to the Legislature for consideration. Notice and description of such claim payment as hereinabove described shall be transmitted to the Legislative Budget Officer, at the time such payment is made.

13. Out of the appropriations herein, the Director of the Division of Budget and Accounting shall be empowered to approve payments to liquidate any unrecorded liabilities for materials delivered and/or services rendered in prior fiscal years upon the written recommendation of any department head, or his designated representative. The Director of the Division of Budget and Accounting shall reject any recommendation for payment which he deems improper.

14. The unexpended balances as of June 30, 1981 in the accounts of the several departments and agencies heretofore appropriated or established in the category of Additions, Improvements and Equipment, where such unexpended balances exceed $300 are appropriated.

15. Any unexpended balances, not exceeding $100, in the several Federal, dedicated, other non-State and revolving funds shall be transferred to a suspense account for a period not to exceed 3

years, provided there has been no activity in the account during the preceding 12 months. Any unclaimed or unexpended balances remaining after 3 years are lapsed to the credit of the General Fund, as determined by the Director of the Division of Budget and Accounting. There are appropriated such sums as may be required for refunds.

16. There shall be constituted a Subcommittee on Transfers of the Joint Appropriations Committee, appointed by its chairman, which shall consist of two members of the Assembly Committee on Revenue, Finance and Appropriations, one of each political party; two members of the Senate Committee on Revenue, Finance and Appropriations, one of each political party; and the Chairman of the Joint Appropriations Committee.

17. If, pursuant to section 3 of this act, the Legislative Budget Officer should withhold his approval from any transfer, the Subcommittee on Transfers of the Joint Appropriations Committee is empowered to review such transfer and may direct that said Legislative Budget Officer approve it.

18. Unless otherwise provided, Federal grant and project receipts representing reimbursement for agency and central support services, indirect and administrative costs, as determined by the Director of the Division of Budget and Accounting, shall be transmitted to the Department of the Treasury for credit to the General Fund. Such receipts shall be forwarded to the Director of the Division of Budget and Accounting upon completion of the project or at the end of the fiscal year, whichever occurs earlier.

19. Notwithstanding the provisions of C52:34–6, sums appropriated for services for the various State departments and agencies may be expended for the purchase of contract services from the New Jersey Marine Sciences Consortium and New Jersey Education Computer Network (NJECN) as if they were State government agencies (C52:34–10a.).

20. Unless otherwise provided, balances remaining as of June 30, 1981 in accounts of appropriations enacted subsequent to April 1, 1981 are hereby appropriated as the Director of the Division of Budget and Accounting shall determine, subject to the approval of the Legislative Budget Officer.

21. From appropriations to the various departments of State government, the Director of the Division of Budget and Accounting is empowered to transfer sums sufficient to pay any obligation due and owing in any other department or agency.

22. Notwithstanding the provisions of any other law, the State Treasurer may transfer from any fund in his custody, deposited with him pursuant to law, sufficient sums to enable payments to be made from any appropriation made herein for any obligation due and owing, and restore the same out of the taxes or other revenue received in the Treasury; provided, however, that except for transfers from the several funds whose statutes provide for interest earnings to accrue to the fund, which shall be calculated at the average rate of earnings during the fiscal year from the State's general investments, all other transfers shall be without interest.

23. To the extent that balances as of June 30, 1981 which would otherwise be appropriated, have been transferred during the fiscal year ending June 30, 1981 for the purpose of satisfying the accrued liability for payments on behalf of medical assistance recipients, an equal amount is hereby appropriated as replacement of such funds.

24. The Sub-committee on Revenues of the Joint Appropriations Committee shall report at least quarterly to the Legislature through the Joint Appropriations Committee on the status of revenues. The Department of the Treasury and the Office of Legislative Services shall provide such timely and detailed information and such staff services as may be requested by the Sub-committee.

25. Of the sums appropriated for new positions, the Director of the Division of Budget and Accounting shall hold such amounts in reserve until the candidates for these positions have been selected for the purpose which these funds are appropriated.

26. The Director of the Division of Budget and Accounting is hereby authorized to review the total complement of positions now maintained among the various executive departments and abolish positions, which have remained vacant for eight months or more, as of June 30, 1981.

27. The Director of the Division of Budget and Accounting shall report to the Chairmen of the Senate and Assembly Education Committees on or before January 6, 1982, detailing the implementation of the ICF/MR program and projected experience through fiscal year 1984, including service provided, program expenditures and staffing patterns.

28. The Director, Division of Budget and Accounting, shall provide the Legislative Budget Officer with copies of all BB-4s, Application for Non-State Funds, prior to the Director's approval

or disapproval of the application. The Legislative Budget Officer shall review and respond within five working days. If the Legislative Budget Officer does not respond within five working days, the Director shall take such action as he deems appropriate with respect to the application.

29. State agencies shall make copies of any State plans related to the expenditure of Federal funds and any Federal reports, audits and evaluations available to the Division of Budget and Accounting and the Office of Legislative Services as soon as they are released.

30. State agencies shall prepare and submit a copy of their spending plan for the expenditure of State funds and the expenditure of federal funds, during the current fiscal year to the Director, Division of Budget and Accounting, and the Legislative Budget Officer by October 1, 1981.

31. The total appropriation which is subject to the provisions of P.L. 1976, c. 76 is authorized to exceed the limitation provided therein by an amount equal to any reduction in the Federal funds received for any program.

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34. This act shall take effect July 1, 1981.

Approved June 30, 1981.

STATEMENT TO SENATE BILL NO. 3275

Pursuant to Article V, Section 1, Paragraph 15 of the Constitution, I am appending to Senate Bill No. 3275 at the time of signing it, this statement of the items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

"Direct State Services"

"Executive Branch"

"Department of Community Affairs"

On Page 18:

Line 1, "05-8050. Human Resources ..... $799,945"

This item is reduced to $744,945.

On Page 18:
Lines 3-4, "Total Appropriation, Related Social Services Programs ..... $1,958,474"
This item is reduced to $1,903,474.

On Page 19:
Lines 28A-28B, "New program initiatives, Division on Women ..... (55,000)"
This item is deleted in its entirety.

On Page 20:
Lines 16-17, "Total Appropriation, Department of Community Affairs ..... $12,030,481"
This item is reduced to $11,975,481.

"Department of Environmental Protection"

On Page 45:
Lines 28-32, "The appropriation hereinabove shall not be used for the payment of expenses for leasing or operating a helicopter unless such helicopter operation is necessary in support of a life threatening emergency."
The quoted language is deleted in its entirety.

"Department of Health"

On Page 45:
Line 1, "02-4220. Community Health Services ... $5,772,517"
This item is reduced to $5,734,517.

On Page 45:
Line 4, "05-4250. Alcoholism Control ..... 1,937,143"
This item is reduced to $1,737,143.

On Page 45:
Line 7, "Total Appropriation, Health Services .. $20,613,654"
This item is reduced to $20,375,654.

On Page 46:
Line 41, "Alcoholism Services ..... 1,843,545"
This item is reduced to $1,643,545.

On Page 46:
Lines 41A-41B, "Mercer County Chapter, American Diabetes Association ..... (38,000)"
This item is deleted in its entirety.

On Page 48:
Line 3, "99-4210. Management and Administrative Services ..... 3,291,193"
This item is reduced to $3,251,193.

On Page 48:
Line 4, "Total Appropriation, Health Administration ..... 4,296,954"
This item is reduced to $4,256,954.

On Page 48:
Line 16A, "Compulsive gambling ..... (40,000)"
This item is deleted in its entirety.

On Page 49:
Line 25, "Total Appropriation, Department of Health ..... $28,353,964"
This item is reduced to $28,075,964.

"Department of Higher Education"

On Page 58:
Lines 73-75, "Indirect and administrative cost reimbursements provided to various State colleges for Federal grants and projects are appropriated."
The quoted language is deleted in its entirety.

On Page 60:
Line 2, "13-5620. Extension and Public Service ... 4,014,991"
This item is reduced to $3,631,991.

On Page 60:
Line 12, "Sub-Total Appropriation ..... $10,038,291"
This item is reduced to $9,655,291.

On Page 61:
Line 22A, "Emergency Renovations ..... (383,000)"
This item is deleted in its entirety.

On Page 62:
Lines 4-5, "Sub-Total Appropriation, Rutgers Medical School, South Jersey ..... $1,094,011"
This item is reduced to $1,019,011.

On Page 62:
Lines 5-6, "Sub-Total Appropriation, New Jersey School of Osteopathic Medicine ..... $4,428,082"
This item is reduced to $4,203,082.

On Page 64:
Lines 9-10, "Total Appropriation, College of Medicine and Dentistry of New Jersey ..... $75,902,387"
This item is reduced to $75,602,387.

On Page 64:
Lines 27A-27B, "Expanded enrollment, Rutgers Medical School, South Jersey ..... (245,000)"
This item is reduced to $170,000.

On Page 64:
Lines 27C-27D, "Expanded enrollment, New Jersey School of Osteopathic Medicine ..... (655,000)"
This item is reduced to $430,000.

On Page 67:
Lines 59-60, "Total Appropriation, Department of Higher Education ..... $454,916,891"
This item is reduced to $454,233,891.

"Department of Human Services"

On Page 72:
Line 2, "24-7540. Pharmaceutical Assistance to the Aged ..... 45,011,275"
This item is reduced to $44,031,275.

On Page 72:
Lines 4-5, "Total Appropriation, Division of Medical Assistance and Health Services ..... $54,998,481"
This item is reduced to $54,018,481.

On Page 72:
Lines 28A thru 28C, "To provide pharmacists with a [fifty] cent per prescription increase in the PAA dispensing fee ..... (2,450,000)"
This language within the brackets is changed to "thirty".
The item is reduced to $1,470,000.

On Page 80:
Lines 28 thru 32, "Failure to finalize and publish such data shall result in a reduction equal to one-three hundredth and sixty-fifth of the Division's Direct State Services appropriation for each day such data is late."
The quoted language is deleted in its entirety.

On Page 83:
Lines 31 thru 34, "Beginning with the FY 1983 Title XX Plan the allocation of Title XX social services funds shall be based on a county's Medicaid enrollment relative to the State's total Medicaid enrollment."
The quoted language is deleted in its entirety.

On Page 85:
Lines 18-19, "Total Appropriation, Department of Human Services ..... $388,338,316"
This item is reduced to $387,358,316.

"Department of Transportation"

On Page 103:
Lines 15 thru 21, "Of the amount hereinabove appropriated for the Purchase of transportation services from the New Jersey Transit Corporation, not less than $43,000 shall be allocated as the State share for passenger service subsidies for a demonstration bus route between Willingboro and Pemberton in Burlington County."
The quoted language is deleted in its entirety.

"Miscellaneous Executive Commissions"

On Page 111:
Lines 1-2, "08-9150. New Jersey Commission on Capital Budgeting and Planning ..... $130,000"
This item is reduced to $120,000.

On Page 111:
Line 6, "Expenses of Commission ..... ($130,000)"
This item is reduced to $120,000.

On Page 111:
Lines 7-8, "Total Appropriation, Miscellaneous Executive Commissions ..... $2,605,670"
This item is reduced to $2,595,670.

"Inter-departmental Accounts"

On Page 119:
Lines 65-66, "meeting together"
The quoted language is deleted in its entirety.

On Page 119:
Lines 74-76, "at least one day before the meeting at which such proposal is considered."
The quoted language is deleted in its entirety.

On Page 121:
Line 36, "Total Appropriation, Direct State Services ..... $2,401,509,302"
This item is reduced to $2,039,503,302.

"State Aid"

"Department of Community Affairs"

On Page 122:
Line 1, "02-8020. Housing Services ..... $1,850,000"
This item is reduced to $1,600,000.

On Page 122:
Line 2, "03-8040. State and Regional Planning .... 2,850,000"
This item is reduced to $2,815,000.

On Page 122:
Line 3, "04-8030. Local Government Services ..... 79,312,694"
This item is reduced to $79,261,694.

On Page 122:
Lines 5-6, "Total Appropriation, Community Development Management ..... $84,052,294"
This item is reduced to $83,716,294.

On Page 122:
Line 9, "Neighborhood preservation ..... (850,000)"
This item is reduced to $600,000.

On Page 123:
Lines 25A-25B, "Hackensack Meadowlands Municipal Committee ..... (50,000)"
This item is reduced to $15,000.

On Page 123:
Lines 34B thru 34D, "Interlocal Services—Jersey City, Hoboken Joint Disaster service program ... (51,000)"
This item is deleted in its entirety.

On Page 126:
Line 1, "05-8050. Human Resources ..... $3,527,500"
This item is reduced to $3,480,000.

On Page 126:
Lines 3-4, "Total Appropriation, Related Social Services Programs ..... $4,849,500"
This item is reduced to $4,802,000.

On Page 126:
Line 7, "Economic opportunity programs ..... (810,000)"
This item is reduced to $800,000.

On Page 126:
Lines 14-15, "Learning at home program (New approach method) ..... (37,500)"
This item is deleted in its entirety.

On Page 126:
Lines 20 thru 22, "Legal aid programs in the counties of Hunterdon, Morris and Warren shall be eligible for Economic Opportunity program funding."
The quoted language is deleted in its entirety.

On Page 126:
Lines 26-27, "Total Appropriation, Department of Community Affairs ..... $88,901,794"
This item is reduced to $88,518,294.

"Department of Education"

On Page 126:
Line 3, "03-5120. Miscellaneous Grants-in-Aid Programs ..... 2,875,000"
This item is reduced to $2,800,000.

On Page 126:
Line 6, "07-5120. Special Education Programs ... 1,500,000"
This item is reduced to $900,000.

On Page 126:
Lines 7-8, "Total Appropriation, Direct Educational Services and Assistance ..... $197,051,344"
This item is reduced to $196,376,344.

On Page 127:
Lines 24-25, "Pilot project for preschool education for the handicapped ..... (1,500,000)"
This item is reduced to $900,000.

On Page 127:
Lines 25A-25B, "Campus high school project, Essex County College ..... (75,000)"
This item is deleted in its entirety.

On Page 128:
Line 2, "20-5120. General Vocational Education Programs ..... 10,239,863"
This item is reduced to $8,548,817.

On Page 128:
Lines 3-4, "Total Appropriation, Supplemental Education and Training Programs ..... $17,401,204"
This item is reduced to $15,710,158.

On Page 128:
Line 13, "Local vocational aid ..... (10,239,863)"
This item is reduced to $8,548,817.

On Page 128:
Line 1, "31-5110. Educational Improvement Centers ..... $2,800,000"
This item is reduced to $2,700,000.

On Page 128:
Line 2, "36-5120. Pupil Transportation Services .. 113,750,000"
This item is reduced to $109,750,000.

On Page 128:
Lines 7-8, "Total Appropriation, Educational Support Services ..... $624,150,000"
This item is reduced to $620,050,000.

On Page 128:
Line 10, "Educational improvement centers .... ($2,800,000)"
This item is reduced to $2,700,000.

On Page 128:
Line 12, "Transportation aid ..... (113,500,000)"
This item is reduced to $109,500,000.

On Page 130:
Lines 17-18, "Total Appropriation, Department of Education ..... $847,403,637"
This item is reduced to $840,937,591.

On Page 130:
Lines 21C thru 21Q, "In addition to the amounts hereinabove appropriated for Adult and Continu-

ing Education Programs and School Nutrition Programs, $4,510,000 shall be made available from undistributed State pupil transportation aid, based upon audited and adjusted pupil transportation entitlements for the 1981-82 school year. In the event that available funds from this source are less than $4,510,000, the Department of Education shall have the authority to pro-rate local school district allocations for Adult and Continuing Education Programs and School Nutrition Programs; provided, however, that not less than $3,600,000 shall be made available in accordance with the provisions of the paragraph."

The quoted language is deleted in its entirety.

On Page 131:

Line 28, "Educational improvement centers ..... (2,800,000)"

This item is reduced to $2,700,000.

"Department of Environmental Protection"

On Page 132:

Line 1, "99-4800. Management and Administrative Services ..... $2,794,519"

This item is reduced to $2,709,519.

On Page 132:

Lines 9 thru 13, "Reimbursement to the Boroughs of Pennington and Hopewell for interest and debt service cost (C58:25–9) ..... (184,019)"

This item is reduced to $99,019.

On Page 133:

Lines 39-40, "Total Appropriation, Department of Environmental Protection ..... 4,744,519"

This item is reduced to $4,659,519.

"Department of Health"

On Page 133:

Line 1, "10-4225. Local Health and Regional Operations ..... $12,753,029"

This item is reduced to $11,367,839.

On Page 133:
Lines 9-10, "Assistance to public general hospitals ..... (9,985,190)"
This item is reduced to $8,600,000.

On Page 133:
Line 17, "Total Appropriation, Department of Health ..... $12,753,029"
This item is reduced to $11,367,839.

"Department of Higher Education"

On Page 134:
Lines 10-11, "at $765 per student".
The quoted amount is deleted in its entirety.

On Page 134:
Lines 15 thru 15C, "The allocation of State Aid shall be determined by the Board of Higher Education according to a plan agreed to by the Council of County Colleges."
The quoted language is deleted in its entirety.

On Pages 134-135:
Lines 26 thru 32, "Notwithstanding any other law to the contrary, sums appropriated to Union County Technical Institute in prior fiscal years shall be held without harm from audit findings which occurred prior to April 1, 1981 and prepared by the Management Compliance Unit of the Department of Higher Education."
The quoted language is deleted in its entirety.

"Department of Human Services"

On Page 135:
Line 1, "22-7540. General Medical Services .... $404,449,302"
This item is reduced to $403,778,100.

On Page 136:
Lines 8 thru 8B, "To provide pharmacists with a [fifty] cent per prescription increase in their Medicaid dispensing fee ..... (1,701,202)"
The language within the brackets is changed to "thirty".
The item is reduced to $1,030,000.

On Page 139:
Lines 35-36, "Total Appropriation, Department of Human Services ..... $732,984,365"
This item is reduced to $732,313,163.

On Page 142:
Line 84, "Total Appropriation, State Aid ..... $1,971,744,501"
This item is reduced to $1,962,753,563.

On Page 156:
Line 27, "Total Appropriation, General Fund .. $4,232,076,875"
This item is reduced to $4,221,079,937.

On Page 164:
Line 13, "Grand Total Appropriation, All Funds $5,702,306,721"
This item is reduced to $5,691,309,783.

On Page 170:
Lines 1-6, "32. The Director, Division of Budget and Accounting, shall place in a reserve account any State appropriation which represents the State share or State match for any Federal program in excess of the amount required to receive Federal funds. Any subsequent reallocation of these funds shall require the approval of the Legislature."
The quoted language is deleted in its entirety.

On Page 170:
Lines 1-10, "33. The Sub-committee on Federal Aid of the Joint Appropriations Committee shall be charged with the responsibility to develop and approve, in cooperation with the Legislative Budget Officer, the State Treasurer, and the Director, Division of Budget and Accounting, appropriate procedures for designating the specific programs, purposes and amounts for which funds received or receivable from the Federal government under any new or modified 'block grants' (as proposed by the President) may be accepted, allocated and expended, subject to the approval of the Senate and General Assembly."
The quoted language is deleted in its entirety.

Revenue Certification

I hereby certify that the anticipated resources for the fiscal year 1981-82 listed in Senate Bill No. 3275 are available to support appropriations of $5,691,309,783 made in such Bill.

Because I expect to be out of the country between June 21 and July 6, Acting Governor Merlino will sign the Appropriations Bill for me. In doing so, he is acceding to certain line item vetoes with which he may not be in accord. Under the circumstances, he has consented to sign the Bill as presented to him by me.

This bill, with my recommendations, provides for a balanced spending plan for fiscal year 1982. The General Fund increase is less than 6 percent over 1981.

My original budget did not include any monies to fund the Minimum Aid component ($64.1 million) of State aid to school districts, nor were sufficient funds included to fund fully the General Assistance Program—Employable Segment ($7.9 million). Other needs such as bus and rail subsidies, pension increases for retirees, and tuition aid assistance were held virtually constant, as were other important program areas. However, over the past few months, we have worked with the Legislature in a spirit of cooperation; and, principally, as the result of the passage of Assembly Bill 3472, which requires corporations to pay taxes quarterly instead of annually, we are able to increase our revenue estimates for fiscal year 1982. Other revenue changes, particularly the public utility and income taxes, provided us with the resources necessary for me to allow most of the increases to the Budget, especially those which had the most support in terms of public interest and program impact.

This Appropriations Act provides for an increase in State spending of approximately $533 million, and over $285 million is State aid. Total State aid spending will approximate $3.3 billion for fiscal year 1982, and represents almost 59 percent of all State spending. The largest single State aid program and the largest item in the Budget is aid for education. For fiscal year 1982 such aid will amount to $1.8 billion and is $190 million greater than the current year. The amount of educational aid money appropriated during the Byrne Administration is more than two times what was expended in the previous history of State government combined.

This Appropriations Act is being signed during a period of great uncertainty with respect to Federal aid. New Jersey stands to lose

in excess of $1.2 billion during fiscal year 1982, with a large amount of this money intended for State and local governments. Many programs, such as medicaid, health care, and food stamps, which are particularly geared to provide aid to our most needy citizens, will suffer significant cutbacks. Aid to education, particularly Title I, Vocational Aid, Student Loans, and School Lunch, may suffer sizable reductions beginning this September. Natural resource projects, including sewer construction and park development and acquisition, will be slowed. We watch these actions with concern. State government does not have the resources to fill the void—we are barely able to fund our own responsibilities. I have directed our Department of the Treasury, together with the affected departments, to develop priorities among the programs suggested for reduction so that we may be better able to cope with any contingencies. In the interim, I urge our congressional delegation, together with other citizens of our State, to urge the Congress to consider these cuts and take action to mitigate their impact.

My veto recommendations total $11.0 million and will enable the General Fund to have a surplus on June 30, 1982 of approximately $15.5 million. The surplus in the Property Tax Relief Fund will be $6.9 million, and in the Casino Revenue Fund approximately $1.7 million. I am making these reductions for the following reasons:

I am vetoing an amount of $4.0 million, the largest single item, from the Education Transportation State aid account. Recent calculations made by the Department of Education indicate that this reduction can be made without reducing the reimbursements to which the school districts are entitled in fiscal year 1982. The Legislature had recommended that this money be reallocated to Adult and Continuing Education and School Nutrition. However, because of the uncertainty of Federal budgetary actions, I am recommending that the $4.0 million be returned to surplus and that it be "reserved" until more definitive information is known concerning reductions in Federal education aid programs. I believe that both of these programs are worthwhile, but that we should have additional information concerning the extent of Federal cutbacks before making a final decision on the allocation of this money.

I am allowing a $3.1 million increase for county college aid since S-219 has passed both houses of the Legislature. This bill will provide State representation on County College Boards of Trustees and provide a mechanism for distributing funds according to a

formula that includes categorical support and differential funding based on program costs. Accordingly, I have deleted language which suggests a contrary method of allocating these funds, while retaining language that sets the budgeted enrollment at 72,500 equated full-time students.

I am reducing by $1.7 million the funds which were recommended for the purpose of increasing the dispensing fee for pharmacists for the Medicaid and Pharmaceutical Assistance to the Aged programs. The Legislature had recommended $4.2 million to support an increase of 50 cents—my recommendation will enable the dispensing fee to increase by 30 cents. I note that the pharmacists have been the only sector of the provider community to receive a recent increase and also urge that the Legislature consider potential methods to provide incentives to reduce the overall cost of these drug programs, particularly through encouragement of generic drug prescriptions where appropriate.

I have vetoed the $1,691,046 increase for Vocational Aid to "Area Vocational-Technical Schools." The Attorney General has ruled recently that the present method of allocating such aid is improper, and that new monies are not to be disbursed until a new criteria is developed. Until new regulations and procedures are established, we should not be allocating additional sums to this program.

Funds added to the Budget for special-purpose appropriations in the Department of Health totaling $78,000 are deleted. If these special projects warrant funding, then it should come from the basic program appropriation. The line items deleted are $40,000 for aid to compulsive gamblers, and $38,000 for the Mercer County chapter of the Diabetes Association. I have also reduced by 40 percent the additional $500,000 added to the Health Department budget for alcoholism. The increase of $300,000 which will remain in the Budget represents a 17 percent growth in the program.

A special-purpose, Direct State Service appropriation in the Department of Community Affairs is being vetoed. The $55,000 for new program initiatives in the Division on Women is deleted. The programs proposed were essentially informational rather than providing direct services, and I feel that the basic programs operated by the Division are sufficient for the upcoming year.

I have let stand a $35,000 increase in the Special Purpose Teen Arts Program account; however, I am suggesting that $30,100 of

the increase be transferred to the New Jersey School for the Arts account, where I believe the additional funds are critical to the program—the $34,900 remaining in the Teen Arts Program is greater than the level of funding requested by the Department of Education.

One item in the Department of Higher Education is vetoed and a second item is being reduced. $383,000 added to the Agricultural Experiment Station for renovations was not included in the budget request by the Department, nor are all the specifics of the renovation identified, and, accordingly, this item is eliminated. As the project becomes further defined, perhaps monies could be made available from the $2 million appropriated for deferred maintenance in the capital section of the Higher Education budget. Of the $900,000 increase provided for the South Jersey Medical School units, I am deleting $300,000, divided proportionately between the Rutgers Medical School and the School of Osteopathic Medicine. Such amounts are beyond those recommended by the Department for fiscal year 1982.

I have let stand several large increases in State aid appropriations because I believe that such aid will benefit those municipalities which are most in need of financial assistance. However, there are several programs for which additional State support is not warranted at this time, or their priority does not demand the utilization of scarce State resources. I have vetoed $600,000 in Educational State Aid for pilot projects for the pre-school handicapped. Federal funding is available for handicapped projects, and any expansion of the State's role into this area or any additional funding in this area should be the subject of enabling legislation. Based on data developed by the Department of Health on the cost to the State under the Public General Hospital Aid Act, the amount added to this line item will exceed the amount required for payment to Jersey City Medical Center and Bergen Pines Hospital. The provisions of P. L. 1978, c. 83, set reimbursement rates, including allowances for indigent costs. Thus, I am vetoing $1,385,190 as being in excess of need.

I have vetoed $85,000 in funds for reimbursement to Pennington and Hopewell for a portion of debt service payments for a sewer main which was constructed on order of the Department of Environmental Protection. My budget included $184,011 and language which stated that payments to these municipalities would be a loan, since the amortization of the capital expense could be recaptured

in the sewer rates eventually established when the sewer plant goes into operation. The loan provision, however, was deleted by the Joint Appropriations Committee. The vetoed sum represents the principal payment which the town can recover through sewer rates and for which the citizens of the State should not be responsible—the balance of approximately $99,000 is retained in the account and is, in fact, a grant for interest payments which cannot be recovered when the rates are finally established.

I have also vetoed several small, special-purpose State aid accounts either because of their very low priority, availability of alternate funding sources, or because such sums would provide no meaningful impact to the success of a program. Included are: $37,500 for a "Learning at Home Program"; $75,000 for a special campus high school program at Essex County College; $10,000 for the Legal Aid Program; $51,000 for an interlocal disaster service project in Hoboken and Jersey City; and $35,000 for the Hackensack Meadowlands Municipal Committee.

I have deleted language which would permit the State colleges to use indirect cost receipts from Federal grants. There exists within the State's financial system an established method of handling indirect cost recoveries, including a program of incentives which enables agencies to retain a portion of such revenues. There is no reason for the colleges to be treated differently. I have deleted language which would forgive a debt of the Union County Technical Institute which is owed to the State due to audit exceptions. The Department of Higher Education has indicated a willingness to work out a repayment schedule which would not create a hardship. The State should not sanction actions which resulted in the improper use of public funds.

Finally, I have deleted language which directs the Joint Appropriations Committee to develop and approve, in conjunction with several members of the Executive Branch, procedures for handling the receipt, allocation, and expenditure of new or modified "block grants" from the Federal government. It is not yet clear how such Federal funds are to be allocated to the states; and, in fact, recent announcements and actions by the Congress suggest that the original proposals for block grants may be significantly altered. Rather than specifying that "block grants" are to be handled in a special way, when it is not yet clear whether or not the states will receive block grants, I have vetoed such language. As Federal directions become more clear, and if we evolve into a system of

broad-based block grants, I will return to the Legislature with a proposal of how we can share in this decision-making process.

Respectfully,

[SEAL] /s/ JOSEPH P. MERLINO,
Attest: *Acting Governor.*
/s/ HAROLD L. HODES,
Chief of Staff, Secretary.

CHAPTER 191

A SUPPLEMENT to "An act providing for assessments against public utilities for certain purposes and supplementing Title 48 of the Revised Statutes," approved July 16, 1968 (P. L. 1968, c. 173; C. 48:2–59 et seq.).

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

1. In addition to the amount appropriated to the Board of Public Utilities for its general purposes and which is assessed according to the provisions of P. L. 1968, c. 173 (C. 48:2–59 et seq.), there are appropriated from the General State Fund on or before June 30, 1981 such additional sums as may be required by the board for the conduct of public hearings held up to and including that date.

2. The amount so appropriated shall be repaid to the General State Fund as soon as practicable out of the proceeds of a special assessment against each utility which shall be levied not later than 30 days after the effective date of this act. Any special assessment against a utility under this supplementary act shall be in proportion to the respective utility's share of the total assessment for the current fiscal year against all utilities pursuant to section 2 of P. L. 1968, c. 173 (C. 48:2–60).

3. The procedure for hearing contested assessments, payment and collection thereof set forth in sections 5 through 14 inclusive of P. L. 1968, c. 173 (C. 48:2–63 through C. 48:2–72 inclusive) shall apply to the provisions of this act.

4. This act shall take effect immediately.

Approved June 30, 1981.

CHAPTER 192

AN ACT concerning county boards of taxation and amending R. S. 54:3–2 and R. S. 54:3–7.

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

1. R. S. 54:3–2 is amended to read as follows:

County board of taxation; membership; qualifications; certificates of training; furnishing proof; vacancies.

54:3–2. Each board shall, as heretofore, be known as the ..... county board of taxation, and be composed of three members, except as hereinafter provided, to be appointed by the Governor by and with the advice and consent of the Senate. Each member shall be a resident and citizen of the county in and for which he is appointed. Members shall be chosen because of their special qualifications, knowledge and experience in matters concerning the valuation and taxation of property, particularly of real property. At no time shall more than two of the members belong to the same political party. In counties of the first class there shall be five members of whom no more than three shall belong to the same political party. Each member shall, within 18 months of appointment, furnish proof that he has received certificates indicating satisfactory completion of training courses designated in section 4 of P. L. 1967, c. 44 (C. 54:1–35.28) or that he possesses an assessor's certificate issued pursuant to P. L. 1967, c. 44, as supplemented. Each member serving on the effective date of this amendatory and supplementary act shall furnish such proof within 30 months of such effective date, if 30 months or more of his term are remaining thereafter.

If any member so required does not furnish such proof within said 18-month period, or 30-month period for any member serving on the effective date of P. L. 1979, c. 499, the county tax administrator shall immediately notify the president of the county board of taxation and the Director of the Division of Taxation. The director shall upon receipt of such notification declare the position to be vacant, and shall notify the Governor of the existence of such vacancy. The Governor shall thereupon appoint, with the advice and consent of the Senate, a different citizen and resident of the relevant county to fill such position for the unexpired term.

2. R. S. 54:3–7 is amended to read as follows:

County tax administrator; appointment; term; certificate; vacancy.

54:3–7. a. Each county board shall appoint a county tax administrator, who shall hold office for a term of 3 years, and who shall, subject to the personnel policies adopted by the governing body of the county, appoint such clerical assistants as may be necessary.

b. After the effective date of this amendatory and supplementary act, any person holding the office of county tax administrator shall devote full-time to his duties; provided, however, that any person currently holding office as a county board secretary may, at the option of the appointing authority, continue to serve on a part-time basis provided he holds or obtains prior to July 1, 1981 a tax assessor certificate.

c. After the effective date of this amendatory and supplementary act, no person shall be newly appointed as county tax administrator unless he shall hold a tax assessor certificate issued by the Director of Taxation pursuant to P. L. 1967, c. 44 (C. 54:1–35.25 et seq.).

d. If any county board secretary required to hold or obtain a tax assessor's certificate pursuant to subsection b. of this section does not submit proof thereof prior to the required date, the county tax board shall immediately declare the position vacant and notify the county governing body and the Director of Taxation of the existence of such vacancy. The county tax board shall then appoint a county tax administrator subject to the provisions of subsection c. of this section.

3. This act shall take effect immediately and shall be retroactive to January 1, 1980.

Approved June 30, 1981.

CHAPTER 193

AN ACT concerning the funding by a municipality of the reserve for uncollected taxes in certain cases.

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

1. In any municipal budget year commencing after the effective date but prior to the expiration date of this act, when taxes on

real property are in default to a municipality, are uncollectible, and the lien therefor is unenforceable by reason of an order of any State or Federal court, the municipality shall not be required to include in the amount of its annual appropriation for "reserve for uncollected taxes," pursuant to N. J. S. 40A:4–40 and 40A:4–41, an amount equal to the taxes so delinquent and uncollectible; provided that in the last budget year in which taxes on the real property affected by the court order were fully collectible, those taxes equaled not less than 15% of the total real property taxes realizable by that municipality in that year.

2. This act shall take effect immediately, shall be retroactive to January 1, 1981, and shall expire on December 31, 1983.

Approved July 2, 1981.

CHAPTER 194

AN ACT providing for State purchase of tax sale certificates in certain cases.

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

C. 54:5-34.1 Tax sale certificates; purchase by State.

1. Notwithstanding the provisions of R. S. 54:5–34, whenever in any municipality real property taxes due by a taxpayer are in default to the municipality, and the taxes owed by the taxpayer and so delinquent and uncollectible equaled, in the last local fiscal year in which the taxes were fully collectible, not less than 15% of the total revenue from real property taxes realizable by the municipality in that year, the State shall, at any tax sale conducted for the real property pursuant to the "tax sale law" (R. S. 54:5–1 et seq.), purchase in fee subject to redemption the property, if there be no other purchaser for the property, and the State shall have the same remedies and rights as other purchasers, including the right to bar or foreclose the right of redemption. If the tax sale certificate is not redeemed within the period of 2 years from the State's purchase of it, the municipality shall pay the State within a period of 3 years the full amount due the State on the certificate including interest pursuant to a payment schedule fixed by the State Treasurer after consultation with the municipal offi-

cials and the Director of Local Government Services. Once the State has received the total amount which it paid for the tax sale certificate, plus interest due thereon, then ownership of the tax sale certificate, if still unredeemed, shall be transferred to the municipality. The State shall not be required to purchase any property at tax sale pursuant to this section, unless written notification of the proposed tax sale was furnished pursuant to section 2 of this act.

The State may foreclose the right of redemption of the property and if it does, it shall proceed under and in the manner provided in the "In Rem Tax Foreclosure Act (1948)," P. L. 1948, c. 96 (C. 54:5–104.29 et seq.). The exercise of this right may continue during any period the certificate is unredeemed.

C. 54:5-34.2 Tax sale; anticipation of revenues in municipal budget.

2. Any municipality may, upon written notification to the Director of the Division of Local Government Services in the Department of Community Affairs, delivered on or before the submission of the annual municipal budget to the director, that the municipality shall conduct in the current local budget year a tax sale of real property qualifying for State purchase under section 1 of this act, anticipate in its budget the revenues from the proceeds of the sale to be conducted.

C. 54:5-34.3 Certification to Governor and Legislature of State's obligation.

3. The State Treasurer shall annually certify to the Governor and to the Legislature for inclusion in the annual State appropriations act under State aid for municipalities the amount necessary to meet the State's annual obligation under this act.

4. This act shall take effect immediately.

Approved July 2, 1981.

CHAPTER 195

AN ACT concerning the issuance of certain temporary licenses and amending the "Casino Control Act," approved June 2, 1977 (P. L. 1977, c. 110).

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

1. Section 89 of P. L. 1977, c. 110 (C. 5:12–89) is amended to read as follows:

C. 5:12-89 Licensing of casino key employees.

89. Licensing of Casino Key Employees. a. No person may be employed as a casino key employee unless he is the holder of a valid casino key employee license issued by the commission.

b. Each applicant must, prior to the issuance of any casino key employee license, produce information, documentation and assurances concerning the following qualification criteria:

(1) Each applicant for a casino key employee license shall produce such information, documentation and assurances as may be required to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, including but not limited to bank references, business and personal income and disbursements schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. In addition, each applicant shall, in writing, authorize the examination of all bank accounts and records as may be deemed necessary by the commission or the division.

(2) Each applicant for a casino key employee license shall produce such information, documentation and assurances as may be required to establish by clear and convincing evidence the applicant's reputation for good character, honesty and integrity. Such information shall include, without limitation, data pertaining to family, habits, character, criminal and arrest record, business activities, financial affairs, and business, professional and personal associates, covering at least the 10-year period immediately preceding the filing of the application. Each applicant shall notify the commission of any civil judgments obtained against such applicant pertaining to antitrust or security regulation laws of the Federal Government, of this State or of any other state, jurisdiction, province or country. In addition, each applicant shall, upon request of the commission or the division, produce letters of reference from law enforcement agencies having jurisdiction in the applicant's place of residence and principal place of business, which letters of reference shall indicate that such law enforcement agencies do not have any pertinent information concerning the applicant, or if such law enforcement agency does have information pertaining to the applicant, shall specify what that information is. If the applicant has been associated with gaming or casino operations in any capacity, position or employment in a jurisdiction

which permits such activity, the applicant shall, upon request of the commission or division, produce letters of reference from the gaming or casino enforcement or control agency which shall specify the experience of such agency with the applicant, his associates and his participation in the gaming operations of that jurisdiction; provided, however, that if no such letters are received from the appropriate law enforcement agencies within 60 days of the applicant's request therefor, the applicant may submit a statement under oath that he is or was during the period such activities were conducted in good standing with such gaming or casino enforcement or control agency.

(3) Each applicant shall produce such information, documentation and assurances as may be required to establish by clear and convincing evidence that the applicant has sufficient business ability and casino experience as to establish the reasonable likelihood of success and efficiency in the particular position involved.

(4) Each applicant shall be a resident of the State of New Jersey prior to the issuance of a casino key employee license.

The commission may also, by regulation, require that all applicants for casino key employee licenses be residents of this State for a period not to exceed 6 months immediately prior to the issuance of such license, but application may be made prior to the expiration of the required period of residency. The commission shall, by resolution, waive the required residency period for an applicant upon a showing that the residency period would cause undue hardship upon the casino licensee which intends to employ said applicant, or upon a showing of other good cause.

c. The commission shall endorse upon any license issued hereunder the particular positions as defined by this act or by regulation which the licensee is qualified to hold.

d. The commission shall deny a casino key employee license to any applicant who is disqualified on the basis of the criteria contained in section 86 of this act.

e. Upon petition by the holder of a casino license or the holder of a temporary casino permit, the commission may, no earlier than 30 days after the date of the petition, issue a temporary license to an applicant for a casino key employee license, provided that:

(1) The applicant for the casino key employee license has filed a complete application as required by the commission;

(2) The division certifies to the commission that the complete casino key employee license application as specified in paragraph

(1) of this subsection has been in the possession of the division for at least 30 days;

(3) The information provided by the applicant indicates that the applicant meets the requirements of subsection b. (3) of this section;

(4) The petition for a temporary casino key employee license certifies, and the commission finds, that an existing casino key employee position of the petitioner is vacant and that the issuance of a temporary key employee license is necessary to fill the said vacancy on an emergency basis to continue the efficient operation of the casino, and that such circumstances are extraordinary and not designed to circumvent that normal licensing procedures of this act;

(5) The division does not object to the issuance of the temporary casino key employee license.

In the event that an applicant for a casino key employee license is the holder of a valid casino employee license issued pursuant to section 90 of this act, and if the provisions of paragraphs (1), (2), (3), and (5) of this subsection are satisfied, the commission may issue a temporary casino key employee license upon petition by the holder of a casino license or the holder of a temporary casino permit, if the commission finds the issuance of a casino key employee license will be delayed by necessary investigations and the said temporary casino key employee license is necessary for the operations of the casino.

Unless otherwise terminated pursuant to this act, any temporary casino key employee license issued pursuant to this subsection shall expire 6 months from the date of its issuance, and shall be renewable by the commission, in the absence of objection by the division as specified in paragraph (5) of this subsection, for one additional 3-month period.

This subsection shall expire January 31, 1982; provided, however, that temporary licenses issued pursuant to this subsection may be continued and renewed subsequent to the expiration of this subsection as if such expiration had not occurred.

2. Section 90 of P. L. 1977, c. 110 (C. 5:12–90) is amended to read as follows:

C. 5:12-90 Licensing of casino employees.

90. Licensing of Casino Employees. a. No person may commence employment as a casino employee unless he is the holder of a valid casino employee license.

b. Any applicant for a casino employee license must, prior to the issuance of any such license, produce sufficient information, documentation and assurances to meet the qualification criteria, including New Jersey residency, contained in subsection b. of section 89 of this act and any additional residency requirement imposed under subsection c. of this section; except that the standards for business ability and casino experience may be satisfied by a showing of casino job experience and knowledge of the provisions of this act and regulations pertaining to the particular position involved, or by successful completion of a course of study at a licensed school in an approved curriculum.

c. The commission may, by regulation, require that all applicants for casino employee licenses be residents of this State for a period not to exceed 6 months immediately prior to the issuance of such license, but application may be made prior to the expiration of the required period of residency. The commission shall, by resolution, waive the required residency period for an applicant upon a showing that the residency period would cause undue hardship upon the casino licensee which intends to employ said applicant, or upon a showing of other good cause.

d. The commission shall endorse upon any license issued hereunder the particular positions as defined by regulation which the licensee is qualified to hold.

e. The commission shall deny a casino employee license to any applicant who is disqualified on the basis of the criteria contained in section 86 of this act.

f. For the purposes of this section, casino security employees shall be considered casino employees and must, in addition to any requirements under other laws, be licensed in accordance with the provisions of this act.

g. A temporary license may be issued by the commission to casino employees for positions not directly related to gaming activity if, in its judgment, the issuance of a plenary license will be restricted by necessary investigations and said temporary licensing of the applicant is necessary for the operation of the casino. Unless otherwise terminated pursuant to this act, a temporary license issued pursuant to this subsection shall expire 6 months from the date of its issuance and be renewable, at the discretion of the

commission, for one additional 6 month period. Positions "directly related to gaming activity" shall include, but not be limited to, boxmen, floormen, dealers or croupiers, cage personnel, count room personnel, slot and slot booth personnel, credit and collection personnel, casino surveillance personnel, and casino security employees whose employment duties require or authorize access to the casino. This subsection shall expire January 31, 1982; provided, however, that temporary licenses issued pursuant to this subsection may be continued and renewed subsequent to the expiration of this subsection as if such expiration had not occurred.

h. Notwithstanding the provisions of subsection e. of this section, no applicant shall be denied a casino employee license on the basis of a conviction of any of the offenses enumerated in this act as disqualification criteria; provided that the applicant has affirmatively demonstrated his rehabilitation. In determining whether the applicant has affirmatively demonstrated his rehabilitation the commission shall consider the following factors:

(1) The nature and duties of the position applied for;
(2) The nature and seriousness of the offense;
(3) The circumstances under which the offense occurred;
(4) The date of the offense;
(5) The age of the applicant when the offense was committed;
(6) Whether the offense was an isolated or repeated incident;
(7) Any social conditions which may have contributed to the offense;
(8) Any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of persons who have or have had the applicant under their supervision.

3. Section 92 of P. L. 1977, c. 110 (C. 5:12–92) is amended to read as follows:

C. 5:12-92 Licensing and registration of casino service industries.

92. Licensing and Registration of Casino Service Industries. a. All casino service industries offering goods or services on a regular basis which directly relate to casino or gaming activity, including gaming equipment manufacturers, suppliers and repairers, schools teaching gaming and either playing or dealing techniques, and casino security services, shall be licensed in accordance with the provisions of this act prior to conducting any business whatso-

ever with a casino licensee, its employees or agents, and in the case of a school, prior to enrollment of any students or offering of any courses to the public whether for compensation or not; provided, however, that upon a showing of good cause by a casino licensee for each business transaction, the commission may permit an applicant for a casino service industry license to conduct business transactions with such casino licensee prior to the licensure of that applicant under this subsection.

b. Each casino service industry in subsection a. of this section, as well as its owners, management and supervisory personnel and other principal employees must qualify under the standards, except residency, established for qualification of a casino key employee under this act. In addition, if the business or enterprise is a school teaching gaming and either playing or dealing techniques, each resident director, instructor, principal employee, and sales representative employed thereby shall be licensed under the standards established for qualification of a casino employee under this act; provided, however, that nothing in this subsection shall be deemed to require, in the case of a public school district or a public institution of higher education, the licensure or qualification of any individuals except those instructors and other principal employees responsible for the teaching of playing or dealing techniques. The commission, in its discretion, may issue a temporary license to an applicant for an instructor's license upon a finding that the applicant meets the educational and experiential requirements for such license, that the issuance of a permanent license will be restricted by necessary investigations, and that temporary licensing is necessary for the operation of the gaming school. Unless otherwise terminated pursuant to this act, a temporary license issued pursuant to this subsection shall expire 6 months from the date of its issuance and be renewable, at the discretion of the commission, for one additional 6-month period. The temporary licensing provisions of this subsection shall expire January 31, 1982; provided, however, that temporary licenses issued pursuant to this subsection may be continued and renewed subsequent to the expiration of the temporary licensing provisions of this subsection as if such expiration had not occurred.

c. All casino service industries not included in subsection a. of this section shall be licensed in accordance with rules of the commission prior to commencement or continuation of any business with a casino licensee or its agents. Such casino service industries, whether or not directly related to gaming operations, shall include

suppliers of alcoholic beverages, food and nonalcoholic beverages; garbage handlers; vending machine providers; linen suppliers; maintenance companies; shopkeepers located within the approved hotel; and limousine services contracting with casino licensees. The hotels; and limousine services contracting with casino licensees. The licensing requirements of this subsection if the person or field of commerce demonstrates (1) that it is regulated by a public agency or that it will provide goods or services in insubstantial or insignificant amounts or quantities, and (2) that licensing is not deemed necessary in order to protect the public interest or to accomplish the policies established by this act. Upon granting an exemption or at any time thereafter, the commission may limit or place such restrictions thereupon as it may deem necessary in the public interest, and shall require the exempted person to cooperate with the commission and the division and, upon request, to provide information in the same manner as required of a casino service industry licensed pursuant to this subsection; provided, however, that no exemption shall be granted unless the casino service industry complies with the requirements of sections 134 and 135 of this act.

d. Licensure pursuant to subsection c. of this section of any casino service industry may be denied to any applicant disqualified in accordance with the criteria contained in section 86 of this act.

4. This act shall take effect immediately.

Approved July 8, 1981.

CHAPTER 196

AN ACT concerning the "Local Fiscal Affairs Law," and amending N. J. S. 40A:5–14.

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

1. N. J. S. 40A:5–14 is amended to read as follows:

Depository; designation; interest on deposits; rules and regulations.

40A:5–14. Each local unit shall designate as a depository for its moneys a public depository as defined in section 1 of P. L. 1970, c. 236 (C. 17:9–41), or the State of New Jersey Cash Management

Fund established pursuant to section 1 of P. L. 1977, c. 281 (C. 52:18A–90.4), or any combination thereof. Except as otherwise provided in this section, any public depository so designated pursuant to this section shall be one which will allow, to the extent permitted by State and Federal law, interest on balances of moneys deposited therewith. The Director of the Division of Local Government Services shall, by rule or regulation, require that all moneys deposited with such depository, in such accounts as the Director may require, shall accrue interest from a specific time after deposit, or from such lesser time as the local unit and the depository may agree. These rules and regulations shall be designed so as to assure to the greatest extent practicable the investment of local funds in interest bearing accounts and may be adjusted from time to time in order to reflect changes in Federal or State laws or regulations. The director may provide for variance from the rules and regulations for the handling of small sums of money as he shall define. Whenever any such public depository shall agree to perform for the local unit specific services which would not be sufficiently compensated by deposit on the terms generally required by the director, the local unit may agree to maintain in a separate non-interest bearing account with the depository a predetermined amount sufficient to compensate for the agreed upon services. The agreement shall be in writing and shall be subject to the annual audit conducted pursuant to N. J. S. 40A:5–4. The agreement and the audit shall be in accordance with procedures and criteria established by the director.

The official charged with the custody of such moneys shall deposit them in the depository or depositories so designated and shall thereafter be relieved of any liability for loss of such moneys due to the insolvency or closing of the depository or depositories.

The Director of the Division of Local Government Services shall promulgate such rules and regulations as may be necessary to implement this act. The rules and regulations may provide for monitoring by the Division of Local Government Services of compliance with this act, and for reporting to, and direct oversight by, the division in any instance when the director believes compliance would be otherwise not forthcoming, all in accordance with the investigatory and other powers and duties of the director and division set forth in the "Local Government Supervision Act (1947)," P. L. 1947, c. 151 (C. 52:27BB–1 et seq.).

2. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 197

AN ACT concerning the unauthorized bringing of alcoholic beverages onto school premises, and supplementing chapter 33 of Title 2C of the New Jersey Statutes.

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

C. 2C:33-16 Possession of alcoholic beverages on school property.

1. Any person of legal age to purchase alcoholic beverages, who knowingly and without the express written permission of the school board, its delegated authority, or any school principal, brings or possesses any alcoholic beverages on any property used for school purposes which is owned by any school or school board, is guilty of a disorderly persons offense.

2. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 198

A SUPPLEMENT to "An act for the establishment of a police and firemen's retirement system for police, firemen and certain other law enforcement officers," approved May 23, 1944 (P. L. 1944, c. 255, C. 43:16A–1 et seq.), as said title was amended by P. L. 1976, c. 139.

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

C. 43:16A-4.2 Application to retirement system for creditable service as chanceman.

1. Notwithstanding the provisions of section 4 of P. L. 1944, c. 255 (C. 43:16A–4), any person who on the effective date of this act and as a result of service in the police department of a municipality is a member of the Police and Firemen's Retirement System established pursuant to the provisions of the act to which this act is a supplement, and who as a result of past part time or full time service as a chanceman in the police department of

such municipality was enrolled in and made contributions to any retirement system established by such municipality pursuant to its adoption of the provisions of P. L. 1920, c. 160, and whose contributions to such municipal retirement system were not transferred to the said Police and Firemen's Retirement System at the time of his enrollment therein nor returned to him, may make application to the board of trustees of the said Police and Firemen's Retirement System to have such part time or full time service as a chanceman be considered as creditable service for the purposes of the act to which this act is a supplement. Such application shall be accompanied by such evidence of service as a chanceman in such municipal police department and of contributions to the municipal retirement system thereof, as hereinabove described, as the board may require of the member.

C. 43:16A-4.3 Liability of employer for amount credited to member's account.

2. The board shall, upon receiving such application and such evidence, advise the employer of the submission of such application and request the employer to submit such evidence of a return of contributions to the member as the board deems necessary for the purposes of this section. The board shall within 60 days of receiving, pursuant to section 1 of this supplementary act, evidence supporting such application make a determination of the amount of service as a chanceman for which contributions to a municipal retirement system were made by the member and the portion of such service for which such contributions were returned to the member. Notwithstanding the provisions to the contrary of section 4 of P. L. 1944, c. 255 (C. 43:16A–4), or of any other law, the board shall thereupon credit to the member the remaining portion of such service as creditable service. Any employer of employees receiving credit for service under the provisions of this supplementary act shall be liable for the amount to be credited to the member's account. The actuary of the Police and Firemen's Retirement System shall calculate the amount of such liability and certify the same to the board. The board shall transmit to the employer notice of the amount due, and the employer shall within 60 days of receiving such notice remit such amount in full to the Police and Firemen's Retirement System.

3. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 199

AN ACT to amend the "New Jersey State Health Benefits Program Act," approved June 3, 1961 (P. L. 1961, c. 49).

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

1. Section 8 of P. L. 1961, c. 49 (C. 52:14–17.32) is amended to read as follows:

C. 52:14-17.32 Continued coverage for retired employees.

8. The basic coverage and the major medical coverage of any employee, and of his dependents, if any, shall cease upon the discontinuance of his term of office or employment or upon cessation of active full-time employment subject to such regulations as may be prescribed by the commission for limited continuance of basic coverage and major medical coverage during disability, part-time employment, leave of absence or lay off, and for continuance of basic coverage and major medical coverage after retirement, any such continuance after retirement to be provided at such rates and under such conditions as shall be prescribed by the commission, subject, however, to the requirements hereinafter set forth in this section. The commission may also establish regulations prescribing an extension of coverage when an employee or dependent is totally disabled at termination of coverage.

Rates payable by retired employees for themselves and their dependents, by active employees for dependents covered by medicare benefits, and by the State or other employer for an active employee alone covered by medicare benefits, shall be determined on the basis of utilization experience according to classifications determined by the commission, provided, however, that the total rate payable by such retired employee for himself and his dependents, or by such active employee for his dependents and the State or other employer for such active employee alone, for coverage hereunder and for Part B of medicare, shall not exceed by more than 25%, as determined by the commission, the total amount which would have been required to have been paid by him and by the State or other employer for the coverage maintained had he continued in office or active employment and he and his dependents were not eligible for medicare benefits. "Medicare" as used in this act means the coverage provided under Title XVIII

of the Social Security Act as amended in 1965, or its successor plan or plans.

From funds appropriated therefor, the State shall pay the premium or periodic charges for the benefits provided to a retired State employee and his dependents covered under the program, but not including survivors, if such employee retired from a State-administered retirement system effective on or after July 1, 1964, on a benefit based on 25 years or more of service credited in such retirement system, excepting the employee who elected deferred retirement, but including the employee who retired on a disability pension based on fewer years of service credited in such retirement system and shall also reimburse such retired employee for his premium charges under Part B of the Federal medicare program covering the retired employee and the employee's spouse. In the case of full-time employees of the Rutgers University Cooperative Extension Service, service credited in the Federal Civil Service Retirement System (5 U. S. C. § 8331 et seq.) which was earned as a result of full-time employment at Rutgers University, may be considered alone or in combination with service credited in a State-administered retirement system for the purposes of establishing the minimum 25 year service requirement to qualify for the benefits provided in this section. Any full-time employee of the Rutgers University Cooperative Extension Service who retired on or after July 1, 1972 and who meets the eligibility requirements set forth in this amendatory act shall be eligible for the benefits provided in this section, provided that at the time of retirement such employee was covered by the State Health Benefits Program and elected to continue such coverage into retirement.

2. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 200

AN ACT concerning spousal assault, and supplementing Title 2C of the New Jersey Statutes.

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

C. 2C:12-4 Examination under oath; recording of testimony.

1. When a complaint is brought before a judge of the municipal court that any person has committed an act of assault against his or her spouse, the judge shall examine, under oath, those persons lodging complaints against the accused. In any such action, testimony shall be recorded, but may not be used in any other action.

C. 2C:12-5 Appearance of accused.

2. If it appears that there is probable cause to believe that such an assault has occurred, the judge may order the appearance of the person informed against.

C. 2C:12-6 Testimony concerning allegations.

3. When the person informed against is brought before the judge, testimony shall be taken before the court concerning the allegations made by the complaining witnesses. All testimony shall be recorded.

C. 2C:12-7 Probable cause for clear and immediate harm; order forbidding accused from returning to marital residence; violation of order; penalty.

4. If the judge finds probable cause to believe that clear and immediate harm to the spouse of the accused or to members of the family of the accused may result from the presence of the accused in the common marital residence, the judge shall order that the accused be forbidden from returning to the common marital residence for a period not to exceed 72 hours. The order shall expire at the end of the 72-hour period unless it is extended upon a further showing of need to the judge. Such extensions shall not exceed a period of 2 weeks from the date of the original order. The judge may permit the accused to return to the common marital residence to pick up personal belongings and effects, but may by order restrict the time and duration and provide for police supervision of such visit. Any person who violates such an order shall be punishable for a contempt pursuant to the provisions of chapter 10 of Title 2A of the New Jersey Statutes.

C. 2C:12-8 Order immediately appealable.

5. Any order issued pursuant to this act forbidding the return of the accused spouse to the common marital abode shall be immediately appealable either to the Superior Court, Chancery Division or to the juvenile and domestic relations court of the county in which the plaintiff and the accused reside.

C. 2C:12-9 Existing laws, rules and regulations not repealed.

6. The procedures and remedies set forth in this act shall not be construed as repealing any existing law, rule or regulation concerning spousal assault or the rights of the complainant or accused.

7. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 201

AN ACT to amend the "New Jersey Property-Liability Insurance Guaranty Association Act," approved April 11, 1974 (P. L. 1974, c. 17).

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

1. Section 2 of P. L. 1974, c. 17 (C. 17:30A–2) is amended to read as follows:

C. 17:30A-2 Purpose and applicability of act.

2. a. The purpose of this act is to provide a mechanism for the payment of covered claims under certain insurance policies, to avoid excessive delay in payment, to avoid financial loss to claimants or policyholders because of the insolvency of an insurer, to assist in the detection and prevention of insurer insolvencies, and to provide an association to assess the cost of such protection among insurers.

b. This act shall apply to all kinds of direct insurance, except life insurance, accident and health insurance, workers' compensation insurance, title insurance, annuities, surety bonds, credit insurance, mortgage guaranty insurance, municipal bond coverage, fidelity insurance, investment return assurance, ocean marine insurance, and insurance provided by the Motor Vehicle Liability Security Fund, established pursuant to P. L. 1952, c. 175 (C. 39:6–92 et seq.), until funds comprising said fund are declared exhausted by the commissioner.

2. Section 8 of P. L. 1974, c. 17 (C. 17:30A–8) is amended to read as follows:

C. 17:30A-8 Powers and duties of association.

8. a. The association shall:

(1) Be obligated to the extent of the covered claims against an insolvent insurer incurred, in the case of private passenger automobile insurance, prior to or after the determination of insolvency, but before the policy expiration date or the date upon which the insured replaces the policy or causes its cancellation, or in the case of insurance other than private passenger automobile insurance, covered claims against such insolvent insurer incurred prior to or 90 days after the determination of insolvency, or before the policy expiration date if less than 90 days after said determination, or before the insured replaces the policy or causes its cancellation, if he does so within 90 days of the determination, but such obligation shall include only that amount of each covered claim which is less than $300,000.00 and subject to any applicable deductible contained in the policy, except that the $300,000.00 limitation shall not apply to a covered claim arising out of insurance coverage mandated by section 4 of P. L. 1972, c. 70 (C. 39:6A–4). In the case of benefits payable under section 4 a. of P. L. 1972, c. 70, the association shall be liable for payment of benefits in an amount not to exceed $75,000.00. Benefits paid in excess of such amount shall be recoverable by the association from the Unsatisfied Claim and Judgment Fund pursuant to the provisions of P. L. 1977, c. 310. In no event shall the association be obligated to a policyholder or claimant in an amount in excess of the limits of liability stated in the policy of the insolvent insurer from which the claim arises;

(2) Be deemed the insurer to the extent of its obligation on the covered claims and to such extent shall have all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent;

(3) Assess member insurers in amounts necessary to pay:

(a) The obligation of the association under paragraph a. (1) of this section;

(b) The expenses of handling covered claims;

(c) The cost of examinations under section 13; and

(d) Other expenses authorized by this act.

The assessments of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the calendar year preceding the assessment bears to the net direct written premiums of all member insurers for the calendar year preceding the assessment.

Each member insurer shall be notified of the assessment not later than 30 days before it is due. No member insurer may be assessed in any year an amount greater than 2% of that member insurer's net direct written premiums for the calendar year preceding the assessment.

The association may, subject to the approval of the commissioner, exempt, abate or defer, in whole or in part the assessment of any member insurer, if the assessment would cause the member insurer's financial statement to reflect amounts of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. In the event an assessment against a member insurer is exempted, abated, or deferred, in whole or in part, because of the limitations set forth in this section, the amount by which such assessment is exempted, abated, or deferred, shall be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section. If the maximum assessment, together with the other assets of the association, does not provide in any 1 year an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed as soon thereafter as it is permitted by this act. Each member insurer serving as a servicing facility may set off against any assessment, authorized payments made on covered claims and expenses incurred in the payment of such claims by such member insurer;

(4) Investigate claims brought against the association and adjust, compromise, settle, and pay covered claims to the extent of the association's obligation and deny all other claims and may review settlements, releases and judgments to which the insolvent insurer or its insureds were parties to determine the extent to which such settlements, releases and judgments may be properly contested;

(5) Notify such persons as the commissioner directs under section 10 b. (1);

(6) Handle claims through its employees or through one or more insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the commissioner, but such designation may be declined by a member insurer;

(7) Reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the

facility while handling claims on behalf of the association and shall pay the other expenses of the association authorized by this act.

b. The association may:

(1) Employ or retain such persons as are necessary to handle claims and perform such other duties of the association;

(2) Borrow funds necessary to effect the purposes of this act in accord with the plan of operation;

(3) Sue or be sued;

(4) Negotiate and become a party to such contracts as are necessary to carry out the purpose of this act;

(5) Perform such other acts as are necessary or proper to effectuate the purpose of this act;

(6) Refund to the member insurers in proportion of the contribution of each member insurer that amount by which the assets exceed the liabilities if, at the end of any calendar year, the board of directors finds that the assets of the association exceed the liabilities as estimated by the board of directors for the coming year.

3. Section 5 of P. L. 1974, c. 17 (C. 17:30A–5) is amended to read as follows:

C. 17:30A-5 Definitions.

5. As used in this act:

a. (Deleted by amendment.)

b. "Association" means the New Jersey Property-Liability Insurance Guaranty Association created under section 6;

c. "Commissioner" means the Commissioner of Insurance of this State;

d. "Covered claim" means an unpaid claim, including one of unearned premiums, which arises out of and is within the coverage, and not in excess of the applicable limits of an insurance policy to which this act applies, issued by an insurer, if such insurer becomes an insolvent insurer after January 1, 1974, and (1) the claimant or insured is a resident of this State at the time of the insured event; or (2) the property from which the claim arises is permanently located in this State. "Covered claim" shall not include any amount due any reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries or otherwise; provided, that a claim for any such amount, asserted against a person insured under a policy issued by an insurer which has become an insolvent insurer, which, if it were not a claim by or for

the benefit of a reinsurer, insurer, insurance pool, or underwriting association, would be a "covered claim," may be filed directly with the receiver of the insolvent insurer, but in no event may any such claim be asserted in any legal action against the insured of such insolvent insurer.

A "covered claim" shall not include amounts for interest on unliquidated claims, punitive damages unless covered by the policy, counsel fees for prosecuting suits for claims against the association, and assessments or charges for failure of such insolvent insurer to have expeditiously settled claims;

e. "Insolvent insurer" means (1) a licensed insurer admitted pursuant to R. S. 17:32–1 et seq. or authorized pursuant to R. S. 17:17–1 et seq., or P. L. 1945, c. 161 (C. 17:50–1 et seq.) to transact the business of insurance in this State either at the time the policy was issued or when the insured event occurred, and (2) which is determined to be insolvent by the court of competent jurisdiction. "Insolvent insurer" does not include any unauthorized or nonadmitted insurer whether or not deemed eligible for surplus lines pursuant to P. L. 1960, c. 32 (C. 17:22–6.37 et seq.);

f. "Member insurer" means any person who (1) writes any kind of insurance to which this act applies under section 2 b. including the exchange of reciprocal or interinsurance contracts and (2) is a licensed insurer admitted or authorized to transact the business of insurance in this State. "Member insurer" does not include any unauthorized or nonadmitted insurer whether or not deemed eligible for surplus lines pursuant to P. L. 1960, c. 32 (C. 17:22–6.37 et seq.);

g. "Net direct written premiums" means direct gross premiums written in this State on insurance policies to which this act applies, less return premiums thereon and dividends paid or credited to policyholders on such direct business. "Net direct written premiums" does not include premiums on contracts between insurers or reinsurers and does not include premiums on policies issued by an insurer as a member of the New Jersey Insurance Underwriting Association pursuant to P. L. 1968, c. 129 (C. 17:37A–1 et seq.).

4. (New section) The provisions of this act and P. L. 1979, c. 448 shall apply to covered claims in connection with insolvencies occurring after the effective date of P. L. 1979, c. 448.

5. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 202

AN ACT concerning the appointment of temporary administrative law judges and amending P. L. 1978, c. 67.

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

1. Section 3 of P. L. 1978, c. 67 (C. 52:14F–3) is amended to read as follows:

C. 52:14F-3 Director; appointment; term; vacancy.

3. The head of the office shall be the director who shall be an attorney-at-law of this State. The director shall be appointed by the Governor with the advice and consent of the Senate.

The director shall serve for a term of 6 years. As used in this act, "director" shall mean the Director of the Office of Administrative Law.

The director shall devote his entire time to the duties of his office and shall receive a salary as provided by law. Any vacancy occurring in the office of the director shall be filled in the same manner as the original appointment, but for the unexpired term only.

2. Section 4 of P. L. 1978, c. 67 (C. 52:14F–4) is amended to read as follows:

C. 52:14F-4 Permanent administrative law judges; appointment; terms; reappointment; advice and consent of Senate.

4. Permanent administrative law judges shall be appointed by the Governor with the advice and consent of the Senate to initial terms of 1 year. During this initial term, each judge shall be subject to a program of evaluation as delineated in section 5 of P. L. 1978, c. 67 (C. 52:14F–5). First reappointment of a judge after this initial term shall be by the Governor for a term of 4 years and until the appointment and qualification of the judge's successor. Subsequent reappointments of a judge shall be by the Governor with the advice and consent of the Senate to terms of 5 years and until the appointment and qualification of the judge's successor. The advice and consent of the Senate, as provided in this section, shall be exercised within 45 days after a nomination for appointment has been submitted to the Senate, and if no action has been taken within the 45-day period, the nomination shall be deemed confirmed.

3. Section 5 of P. L. 1978, c. 67 (C. 52:14F–5) is amended to read as follows:

C. 52:14F-5 Powers and duties of director.

5. The Director of the Office of Administrative Law shall:

a. Administer and cause the work of the office to be performed in such manner and pursuant to such program as may be required or appropriate;

b. Organize and reorganize the office, and establish such bureaus as may be required or appropriate;

c. Except as otherwise provided in subsection l., below, appoint, pursuant to the provisions of Title 11 of the Revised Statutes, such clerical assistants and other personnel as may be required for the conduct of the office;

d. Assign and reassign personnel to employment within the office;

e. Develop uniform standards, rules of evidence, and procedures, including but not limited to standards for determining whether a summary or plenary hearing should be held to regulate the conduct of contested cases and the rendering of administrative adjudications;

f. Promulgate and enforce such rules for the prompt implementation and coordinated administration of the Administrative Procedure Act, P. L. 1968, c. 410 (C. 52:14B–1 et seq.) as may be required or appropriate;

g. Administer and supervise the procedures relating to the conduct of contested cases and the making of administrative adjudications, as defined by section 2 of P. L. 1968, c. 410 (C. 52:14B–2);

h. Advise agencies concerning their obligations under the Administrative Procedure Act, subject to the provisions of subsections b. and e. of section 4 of P. L. 1944, c. 20 (C. 52:17A–4b. and 4e.);

i. Assist agencies in the preparation, consideration, publication and interpretation of administrative rules required or appropriate pursuant to the Administrative Procedure Act, P. L. 1968, c. 410 (C. 52:14B–1 et seq.);

j. Employ the services of the several agencies and of the employees thereof in such manner and to such extent as may be agreed upon by the director and the chief executive officer of such agency;

k. Have access to information concerning the several agencies to assure that they properly promulgate all rules required by law;

l. Assign permanent administrative law judges at supervisory and other levels who are qualified in the field of administrative law or in subject matter relating to the hearing functions of a State

agency. The entire time of a permanent administrative law judge shall be devoted to the duties of the office.

Administrative law judges shall receive such salaries as provided by law.

Administrative law judges shall be attorneys-at-law of this State, or any persons who are not attorneys-at-law, but who, in the judgment of the Governor or the director are qualified in the field of administrative law, administrative hearings and proceedings in subject matter relating to the hearing functions of a particular State agency;

m. Appoint additional administrative law judges, qualified in the field of administrative law or in subject matter relating to the hearing functions of a State agency, on a temporary or case basis as may be necessary during emergency or unusual situations for the proper performance of the duties of the office, pursuant to a reasonable fee schedule established in advance by the director. Temporary administrative law judges shall have the same qualifications for appoint as permanent administrative law judges;

n. Assign an administrative law judge to any agency empowered to conduct contested cases to preside over such proceedings in contested cases as are required by sections 9 and 10 of P. L. 1968, c. 410 (C. 52:14B–9 and 52:14B–10). Proceedings shall be scheduled for suitable locations, either at the offices of the Office of Administrative Law or elsewhere in the State, taking into consideration the convenience of the witnesses and parties, as well as the nature of the cases and proceedings;

o. Assign an administrative law judge or other personnel to any agency to conduct or assist in administrative duties and proceedings other than those related to contested cases or administrative adjudications, including but not limited to rule-making and investigative hearings, if so requested by the head of an agency and if the director deems appropriate;

p. Assign an administrative law judge not engaged in the conduct of contested cases to perform other duties vested in or required of the office;

q. Secure, compile and maintain all reports of administrative law judges issued pursuant to this act, and such reference materials and supporting information as may be appropriate;

r. Develop and maintain a program for the continuing training and education of administrative law judges and agencies in regard to their responsibilities under this act; and

s. Develop and implement a program of judicial evaluation to aid himself in the perfomance of his duties, and to assist in the making of reappointments under section 4 of P. L. 1978, c. 67 (C. 52:14F–4). This program of evaluation shall focus on three areas of judicial performance; competence, productivity, and demeanor. It shall include consideration of: industry and promptness in adhering to schedules, making rulings and rendering decisions; tolerance, courtesy, patience, attentiveness, and self-control in dealing with litigants, witnesses and counsel, and in presiding over contested cases; legal skills and knowledge of the law and new legal developments; analytical talents and writing abilities; settlement skills; quantity, nature and quality of caseload disposition; impartiality and conscientiousness. The director shall develop standards and procedures for this program, which shall include taking comments from selected litigants and lawyers who have appeared before a judge. The methods used by the judge but not the result arrived at by the judge in any case may be used in evaluating a judge. Before implementing any action based on the findings of the evaluation program, the director shall discuss the findings and the proposed action with the affected judge. The evaluation by the director and supporting data shall be submitted to the Governor. These documents shall remain confidential and shall be exempted from the requirements of P. L. 1963, c. 73 (C. 47:1A–1 et seq.).

4. This act shall take effect 120 days following enactment.

Approved July 9, 1981.

CHAPTER 203

AN ACT to amend and supplement "An act concerning judgments and orders for support and maintenance," approved December 12, 1977 (P. L. 1977, c. 292).

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

1. Section 1 of P. L. 1977, c. 292 (C. 2A:17–56.1) is amended to read as follows:

C. 2A:17-56.1 Failure to make support and maintenance payments; order directing execution; priority.

1. a. In any proceeding brought for failure to make support and maintenance payments, upon a showing that such payments

are more than 30 days overdue the court may grant an order directing that an execution issue against the wages, debts, earnings, salary, income from trust funds, or profits of the defendant for the full amount of both the arrears payments and for the satisfaction of current support and maintenance payments notwithstanding any statutory limitation on executions issued against the wages, earnings, salary or other income of the judgment debtor and such execution shall have priority over any other executions.

b. In those proceedings where the defendant has failed to pay by the hearing date at least one-half of the amount of arrears which were owed at the commencement of the action, plus those accumulated during the pendency of the action, and where the defendant has shown no good cause for this failure, the court shall grant an order directing that the execution shall issue. The execution shall be for such an amount, determined by the court to assure payment over a reasonable period of time, of the full amount of both the arrears payments and for the satisfaction of current support and maintenance payments, notwithstanding any statutory limitation on executions issued against the wages, earnings, salary or other income of judgment debtor, and such executions shall have priority over any other executions.

2. Section 3 of P. L. 1977, c. 292 (C. 2A:17–56.3) is amended to read as follows:

C. 2A:17-56.3 Deduction to defray bookkeeping expenses.

3. An employer in remitting wages levied upon by a judgment or order of support may make a $1.00 deduction to defray his bookkeeping expenses for each paycheck so levied upon in addition to the funds ordered for support.

C. 2A:17-56.1a Docketing of order of execution.

3. (New section) An order directing that an execution issue against the defendant's wages pursuant to section 1 of P. L. 1977, c. 292 (C. 2A:17–56.1) may be docketed in any other court and from the time of its docketing it shall have the same force and operation as an order of the court in which it is docketed.

C. 2A:17-56.6 Remittance of wages levied upon by judgment.

4. (New section) An employer shall remit wages levied upon by a judgment or order of support within 10 days of the first wage payment after receipt of the judgment or order.

5. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 204

AN ACT providing for waiver of examination, under certain conditions, for persons seeking employment in the classified service of the Civil Service; granting retroactive service credit, under certain circumstances, for previous temporary service by persons attaining permanent status as a result of such waiver; and supplementing chapter 9 of Title 11 of the Revised Statutes.

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

C. 11:9-15 Waiver of examination; conditions.

1. Competitive examination and noncompetitive examination for any position in the classified service of the Civil Service may be waived for any applicant who suffers from any physical, mental, or emotional affliction, injury, dysfunction, impairment, or disability, which

a. Makes it physically or psychologically impracticable for him to undergo the prescribed testing procedure for the class of position for which he applies, but

b. Does not prevent him from satisfactorily performing the duties of that position under the conditions of actual service.

C. 11:9-16 Rules and regulations; requirements.

2. The commission shall prescribe rules, regulations, and procedures, by which waivers of examination under this supplementary act may be applied for and granted; and shall include therein the requirement that the applicant submit to the President:

a. A physician's statement describing the nature of the condition that makes it impracticable for the applicant to undergo the testing procedure,

b. A statement from the appointing authority as to its satisfaction that the applicant could satisfactorily perform the duties of the position under conditions of actual service, and

c. A statement of agreement by the applicant to undergo such additional physical or psychological examination as the President may deem necessary in order to establish the facts required for the granting of a waiver.

C. 11:9-17 Granting of waiver and permission for employment.

3. If, after receiving the information required under the rules of the commission, and conducting or causing to be conducted

such additional inquiries and examinations as he deems necessary, the President is satisfied that the conditions for a waiver of examination, as set forth in section 1 of this supplementary act, have been met, he shall grant such waiver and permit the applicant to be employed or placed upon an employment list of the position with respect to which the waiver of examination is granted.

C. 11:9-18 Prior temporary or emergency employment; rights and benefits.

4. If a person who becomes a permanent full-time employee as a result of a waiver of examination under the terms of this act previously served the same employer, in either the same or other positions, on a temporary or emergency basis for at least 1 year in the aggregate during the period ending 6 months from the effective date of this supplementary act, and certifies to the commission that, but for the condition on the basis of which the waiver was granted, he would during that time have sought permanent, full-time employment through the examination process, he shall be entitled, for the purposes of securing or ascertaining any rights or benefits to which he may be entitled under Title 11 and Title 43 of the Revised Statutes, or any other law, as a permanent employee in the classified service, to reckon any such prior temporary or emergency employment as if it had been permanent, full-time employment.

5. This act shall take effect 90 days after the date of enactment.

Approved July 9, 1981.

CHAPTER 205

AN ACT providing for waiver of examination, under certain conditions, for persons seeking employment in the classified service of the Civil Service; granting retroactive service credit, under certain circumstances, for previous temporary service by persons attaining permanent status as a result of such waiver; and supplementing chapter 23 of Title 11 of the Revised Statutes.

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

C. 11:23-10 Waiver of examination; conditions.

1. Competitive examination and noncompetitive examination for any position in the classified service of the Civil Service may be

waived for any applicant who suffers from any physical, mental, or emotional affliction, injury, dysfunction, impairment, or disability, which

a. Makes it physically or psychologically impracticable for him to undergo the prescribed testing procedure for the class of position for which he applies, but

b. Does not prevent him from satisfactorily performing the duties of that position under the conditions of actual service.

C. 11:23-11 Rules and regulations; requirements.

2. The commission shall prescribe rules, regulations, and procedures, by which waivers of examination under this supplementary act may be applied for and granted; and shall include therein the requirement that the applicant submit to the President:

a. A physician's statement describing the nature of the condition that makes it impracticable for the applicant to undergo the testing procedure,

b. A statement from the appointing authority as to its satisfaction that the applicant could satisfactorily perform the duties of the position under conditions of actual service, and

c. A statement of agreement by the applicant to undergo such additional physical or psychological examination as the President may deem necessary in order to establish the facts required for the granting of a waiver.

C. 11:23-12 Granting of waiver and permission for employment.

3. If, after receiving the information required under the rules of the commission, and conducting or causing to be conducted such additional inquiries and examinations as he deems necessary, the President is satisfied that the conditions for a waiver of examination, as set forth in section 1 of this supplementary act, have been met, he shall grant such waiver and permit the applicant to be employed or placed upon an employment list of the position with respect to which the waiver of examination is granted.

C. 11:23-13 Prior temporary or emergency employment; rights and benefits.

4. If a person who becomes a permanent full-time employee as a result of a waiver of examination under the terms of this act previously served the same employer, in either the same or other positions, on a temporary or emergency basis for at least 1 year in the aggregate during the period ending 6 months from the effective date of this supplementary act, and certifies to the commission that, but for the condition on the basis of which the waiver was granted, he would during that time have sought permanent, full-

time employment through the examination process, he shall be entitled, for the purposes of securing or ascertaining any rights or benefits to which he may be entitled under Title 11 and Title 43 of the Revised Statutes, or any other law, as a permanent employee in the classified service, to reckon any such prior temporary or emergency employment as if it had been permanent, full-time employment.

5. This act shall take effect 90 days after the date of enactment.

Approved July 9, 1981.

CHAPTER 206

AN ACT concerning student loans and amending N. J. S. 18A:72–10 and N. J. S. 18A:72–11.

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

1. N. J. S. 18A:72–10 is amended to read as follows:

Authority's powers.

18A:72–10. The authority shall have the following powers:

(1) (a) To make loans

(i) to persons or to assist in the placing of loans to persons, who are residents of this State, and who are attending and are in good standing in, or who plan to attend, any qualified institution of collegiate grade, located in this State or elsewhere, which is approved by any regional accrediting association recognized by the national commission on accrediting, or approved by the Board of Higher Education, any qualified post-secondary nondegree institution of higher education, located in this State or elsewhere, or any other eligible institution, or

(ii) to persons who reside outside this State and who are enrolled in an eligible educational institution located within this State, or

(iii) to parents of persons meeting requirements set forth in (i) or (ii) above, in order to assist them in meeting expenses of higher education, and to guarantee such loans upon such terms and conditions as the authority may prescribe, in an amount for any academic year or in total as may be authorized by the New Jersey Higher Education Assistance Authority and approved by

the Board of Higher Education; provided, however, that such amounts may not exceed in any given year or in total that amount which is guaranteed by the Federal Government.

For the purposes of this section, a qualified institution of collegiate grade shall be deemed to include a school of professional nursing accredited or approved by the New Jersey Board of Nursing, and a qualified post-secondary nondegree institution of higher education located outside the State shall mean and include any such institution offering courses in one or more of the fields enumerated, and meet the admission standards set forth in N. J. S. 18A:72–2.

(b) When the authority determines that higher annual or cumulative student loan limits than those established in section (1) (a) are warranted in order to carry out the purposes of the statute with regard to students engaged in high cost graduate or professional education, the authority may make or guarantee loans to eligible students in amounts to correspond to those higher limits, provided that such maximum limits are recommended by the authority and approved by the Board of Higher Education.

(2) To adopt rules not inconsistent with law governing the application for and the guarantee of loans made by the authority and governing any other matters related to its activities.

(3) To buy and sell approved notes evidencing loans made under this chapter, and to buy and sell participations in approved notes made pursuant to this chapter.

(4) From time to time to issue its negotiable bonds and bond anticipation notes for the purpose of providing funds (a) to make loans in accordance with the provisions of subsection (1) of this section; (b) to purchase from lenders approved notes or participations in approved notes as provided by law; and (c) for the refunding of outstanding bonds.

(5) To perform any other acts which may be deemed necessary or appropriate to carry out the objects and purposes of this chapter.

2. N. J. S. 18A:72–11 is amended to read as follows:

Conditions for approval of loans.

18A:72–11. Any application for a loan under this chapter shall be submitted to the authority for its approval, and the authority shall approve the same only if it finds that the applicant:

a. (1) Has been a resident of New Jersey for a period of not less than 6 months immediately preceding the date of his application for

such loan, and has demonstrated high moral character, good citizenship and dedication to American ideals; or

(2) Is a resident of a state other than this State, and has been admitted to, or is in regular attendance at and is in good standing in, an eligible educational institution located within this State; and

b. Intends to make application for admission to, or has been admitted to, or is in regular attendance at and is in good standing in, a qualified institution of collegiate grade approved by any regional accrediting association recognized by the national commission on accrediting, or approved by the board of higher education, a qualified post-secondary nondegree institution of higher education or any other eligible institution; or

c. Is the parent of such eligible person; and

d. Has complied with all rules adopted by the authority pursuant to this chapter in connection with the granting of such loans.

3. This act shall take effect immediately.

Approved July 9, 1981.

CHAPTER 207

AN ACT appropriating funds from the Public Purpose Buildings Construction Fund for a State grant to assist in the construction of a county correctional facility.

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

1. There is appropriated to the Department of Corrections from the "Public Purpose Buildings Construction Fund" created pursuant to the "New Jersey Public Purpose Buildings Construction Bond Act of 1980" (P. L. 1980, c. 119) the sum of $6,200,000.00 for a State grant to assist in meeting the construction costs of a county correctional facility in Middlesex county.

2. The Commissioner of the Department of Corrections is authorized to negotiate and enter into an agreement with the appropriate county officials regarding the terms and conditions upon which the grant may be made. At a minimum however, the terms and conditions shall provide for:

a. The availability and use of a specific number of beds to be reserved for prisoners remanded by the State, and

b. Per diem rates favorable to the State in recognition of its contribution to the construction costs of the facility.

3. In order to provide flexibility in administering the provisions of this act, the Commissioner of Corrections may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item within the respective department accounts in the Public Purpose Buildings Construction Fund. The transfer shall be made upon the written approval of the director and of the Legislative Budget Officer in the Office of Legislative Services.

4. This act shall take effect immediately.

Approved July 13, 1981.

CHAPTER 208

AN ACT appropriating funds from the Public Purpose Buildings Construction Fund for the construction of a prison.

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

1. There is appropriated to the Department of Corrections from the Public Purpose Buildings Construction Fund created under the "New Jersey Public Purpose Buildings Construction Bond Act of 1980," P. L. 1980, c. 119, the sum of $30,000,000.00 for the following construction project:

Construction of a 400-bed medium security prison either in a county with a population of less than 400,000 people if construction of such prison in that county is approved by the governing body of the county, or in a county with a population of over 400,000 people	$30,000,000.00

The State Treasurer and the Comptroller of the Treasury may hereafter expend such funds to acquire by gift, grant, purchase, condemnation, municipal action or other lawful manner, in the name of the State and for its use so much private or public land as may be necessary for such State correctional institution whenever the Commissioner of the Department of Corrections makes written request therefor, and the treasurer and the comptroller deem the

land necessary. Condemnation proceedings shall be in accordance with the "Eminent Domain Act of 1971," P. L. 1971, c. 361 (C. 20:3–1 et seq.).

2. There is also appropriated from the fund, such items as may be necessary to meet any expense incurred by the issuing officials under P. L. 1980, c. 119, for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of that act.

3. The Director of the Division of Budget and Accounting is authorized to approve expenditures for pre-design program planning and other related costs for the capital project authorized under this act.

4. In order to provide flexibility in administering the provisions of this act, the Commissioner of Corrections may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item within the respective department accounts in the Public Purpose Buildings Construction Fund. Such transfer shall be made upon the written approval of said director and of the Legislative Budget Officer in the Office of Legislative Services.

5. The State shall be subject to an in lieu tax payment, pursuant to P. L. 1977, c. 272 (C. 54:4–2.2a et seq.), for the above-mentioned 400-bed medium security prison facility.

6. This act shall take effect immediately.

Approved July 13, 1981.

CHAPTER 209

AN ACT appropriating funds from the Public Purpose Buildings Construction Fund for additional facilities for the incarcerated and providing procedures relating to the expenditure of these funds.

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

1. There is appropriated to the Department of Corrections from the Public Purpose Buildings Construction Fund created under the

"New Jersey Public Purpose Buildings Construction Bond Act of 1980," P. L. 1980, c. 119, the sum of $1,500,000.00 for the following additional facilities for the incarcerated:

Purchase of trailers for the housing of inmates $1,500,000.00

2. There is also appropriated from the fund, such items as may be necessary to meet any expense incurred by the issuing officials under P. L. 1980, c. 119, for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of that act.

3. The Director of the Division of Budget and Accounting is authorized to approve expenditures for pre-design program planning and other related costs for capital projects authorized under this act.

4. In order to provide flexibility in administering the provisions of this act, the Commissioner of Corrections may apply to the Director of the Division of Budget and Accounting for permission to transfer a part of any item to any other item within the respective department accounts in the Public Purpose Buildings Construction Fund. The transfer shall be made upon the written approval of the director and of the Legislative Budget Officer in the Office of Legislative Services.

5. This act shall take effect immediately.

Approved July 13, 1981.

CHAPTER 210

AN ACT concerning utility cost relief for certain tenants, supplementing Title 48 of the Revised Statutes, and amending P. L. 1979, c. 197.

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

C. 48:2-29.30 Legislature's findings and declarations.

1. The Legislature hereby finds and declares that the extraordinary and unprecedented energy costs in recent years have had a deleterious financial impact on senior citizens and disabled residents in this State, many of whom must meet their regular living

expenses on fixed incomes; that the voters of this State recognized the seriousness of this situation in 1976 by approving an amendment to the Constitution of the State of New Jersey which provides that all State revenues derived from the taxation of gambling establishments in Atlantic City be dedicated to reducing the property taxes, rentals, telephone, gas, electric, and municipal utility charges of eligible senior citizens and disabled residents; and, that in 1979 this Legislature created the "Lifeline Credit Program," which utilizes casino revenues to provide eligible senior citizens and disabled residents who are residential electric or gas customers with a credit against their utility charges.

The Legislature further finds and declares that many of the senior citizens and disabled residents in this State live in accommodations where they do not receive an individual utility bill, and therefore are not eligible for the "Lifeline Credit Program," even though they meet all the other requirements of the program; and, that these citizens, no less than those who receive individual utility bills, deserve financial relief from burdensome energy costs.

The Legislature, therefore, determines that it serves a public purpose, and is consistent with the provisions of the Constitution of the State of New Jersey, to establish a tenants' lifeline assistance program, and to fund such a program with revenues derived from the taxation of casinos.

C. 48:2-29.31 Tenants' Lineline Assistance Program; establishment.

2. The Commissioner of the Department of Human Services, hereinafter referred to as the commissioner, shall establish and administer a program which shall be known as the "Tenants' Lifeline Assistance Program."

C. 48:2-29.32 Eligibility.

3. Any residential tenant not receiving an individual electric or gas utility bill who at any time between July 1 and December 31, 1981, or at any time between July 1 and December 31 of any year thereafter, is: a. enrolled in, found eligible for, or, except for the provisions of section 4 of P. L. 1975, c. 194 (C. 30:4D–23), would be eligible for benefits under the program of "Pharmaceutical Assistance to the Aged," established pursuant to P. L. 1975, c. 194 (C. 30:4D–20 et seq.), as amended and supplemented; or, b. receiving or is eligible to receive benefits under the program of Supplemental Security Income (P. L. 1973, c. 256, C. 44:7–85 et seq.); or, c. receiving disability benefits pursuant to the Federal Social Security Act (42 U. S. C. 416 (i)) and meets the income and resi-

dency requirements of the "Pharmaceutical Assistance to the Aged" program, shall be eligible for the "Tenants' Lifeline Assistance Program." The commissioner shall establish a schedule of eligible residential tenants who meet such qualifications. For the purposes of this act, "residential tenant" means a person renting or leasing real property, including a mobile home park site as his principal residence, including a net lease residential tenant, as well as a person who is a resident shareholder in a nonprofit residential cooperative or mutual housing corporation, both defined pursuant to P. L. 1977, c. 241 (C. 54:4–3.80 et seq.), or an owner of a condominium as such is defined pursuant to P. L. 1963, c. 168 (C. 46:8A–1 et seq.) and P. L. 1969, c. 257 (C. 46:8B–1 et seq.).

C. 48:2-29.33 Annual tenant's assistance payment.

4. Any residential tenant found eligible for the "Tenants' Lifeline Assistance Program" shall be entitled to an annual tenant's assistance payment, except as otherwise provided herein, at his principal residence. No household or rental unit, as appropriate, shall receive more than one tenant's assistance payment for any fiscal year. No household shall receive during the same fiscal year both a tenant's assistance payment and a lifeline credit allowed pursuant to P. L. 1979, c. 197 (C. 48:2–29.15 et seq.). Subject to the availability of appropriations, the tenant's assistance payment shall be $150.00 beginning in October 1981.

C. 48:2-29.34 Payments to eligible tenants.

5. a. Upon certification by the commissioner, the State Treasurer shall issue a tenant's assistance payment to each residential tenant found eligible for the "Tenants' Lifeline Assistance Program." For residential tenants found eligible between July 1 and December 31 of 1981 or any year thereafter, the tenant's assistance payment shall be made during October, or as soon as practicable after eligibility has been determined, and during October of each year thereafter for which eligibility is determined.

b. For eligible residential tenants receiving benefits pursuant to the program of Supplemental Security Income under P. L. 1973, c. 256 (C. 44:7–85 et seq.), the tenant's assistance payment shall consist of a special State utility supplement to the Supplemental Security Income program and shall be made in twelve monthly installments. This special State utility supplement shall be in addition to existing supplementary payments which have been or may be authorized and made pursuant to P. L. 1973, c. 256 (C. 44:7–85 et seq.).

C. 48:2-29.35 Rules and regulations; assistance or contract for services from State agencies.

6. a. The commissioner is authorized to promulgate, pursuant to law, such rules and regulations as may be necessary to effectuate the purpose of this act.

b. The commissioner shall be entitled to call upon the assistance, or contract for the services, of any State department, board, bureau, commission or agency as may be necessary to implement the provisions of this act.

C. 48:2-29.36 Report to Legislature and Governor; contents.

7. The commissioner shall submit a report on the "Tenants' Lifeline Assistance Program" to the Legislature and the Governor on August 15 of each year, in conjunction with the annual report submitted on the "Lifeline Credit Program," pursuant to P. L. 1979, c. 197 (C. 48:2–29.15 et seq.). Such report shall include, but shall not be limited to, a summary of the implementation of the program, a study of its impact, any recommendations for its revision, and an estimate of the practicability and feasibility of expanding the program to include other needy residential electric and gas utility customers.

8. Section 4 of P. L. 1979, c. 197 (C. 48:2–29.18) is amended to read as follows:

C. 48:2-29.18 Payments to utilities; special supplement to SSI.

4. Upon certification by the Commissioner of the Department of Human Services, the State Treasurer shall pay to each electric and gas utility the amount of the credit provided for each eligible residential customer served by such utility. The payments shall be made pursuant to a schedule approved by the Director of the Division of Budget and Accounting and payments made for unused credit shall be returned to the Casino Revenue Fund pursuant to a plan approved by him. For eligible residential customers receiving benefits pursuant to the program of Supplemental Security Income under P. L. 1973, c. 256 (C. 44:7–85 et seq.), the credit shall consist of a special State Utility supplement to the Supplemental Security Income program and shall be made in 12 monthly installments. This special State utility supplement shall be in addition to existing supplementary payments which have been or may be authorized and made pursuant to P. L. 1973, c. 256 (C. 44:7–85 et seq.).

9. Section 7 of P. L. 1979, c. 197 (C. 48:2–29.21) is amended to read as follows:

C. 48:2-29.21 Report on Lifeline Credit Program.

7. The Commissioner of the Department of Human Services shall submit a report on the "Lifeline Credit Program" to the Legislature on August 15, 1981, and annually thereafter. Such report shall include, but shall not be limited to, a summary of the implementation of the program, a study of its impact, any recommendations for its revision, and an estimate of the practicability and feasibility of expanding the program to include other needy residential electric and gas utility customers. The report shall also include an examination of alternative revenue sources to fund such a program.

10. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 211

AN ACT relating to municipalities in unsound financial condition and amending and supplementing P. L. 1947, c. 151, supplementing P. L. 1977, c. 272 and repealing sections 64, 69, 70, 71, 72, 92, 93, 94 and 95 of P. L. 1947, c. 151.

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

1. Section 55 of P. L. 1947, c. 151 (C. 52:27BB-55) is amended to read as follows:

C. 52:27BB-55 Application of article.

55. Application of article. The provisions of this article and sections 20 and 21 of this amendatory and supplementary act shall take effect in a municipality when any of the following conditions exists:

(1) A default exists in the payment of bonded obligations or notes for which no funds or insufficient funds are on hand and segregated in a special trust fund.

(2) Payments due and owing the State, county, school district or special district, or any of them, are unpaid for the year just closed and the year next preceding that year.

(3) An appropriation for "cash deficit of preceding year" in an amount in excess of 4% of the total amount of taxes levied upon

real and personal property for all purposes in such preceding year, is required to be included in the next regular budget and was required to be included in the budget for the year just closed; provided, however, in establishing the excess, if any, over the 4% there shall first be deducted from such appropriation the amount, if any, that was caused by the failure to receive miscellaneous anticipated revenue from franchise and gross receipts taxes.

(4) Less than 70% of the total amount of taxes levied for all purposes upon real and personal property in the taxing district, in the year just closed and in the year next preceding that year, respectively, were collected during the year of levy.

(5) The appropriation required to be included in the next regular budget for the liquidation of all bonded obligations or notes exceeds 25% of the total of appropriations for operating purposes (except dedicated revenue appropriations) in the budget for the year just ended.

(6) A judicial determination of gross failure to comply with provisions of the "Local Bond Law" (N. J. S. 40A:2–1 et seq.), the "Local Budget Law" (N. J. S. 40A:4–1 et seq.), or the "Local Fiscal Affairs Law" (N. J. S. 40A:5–1 et seq.) which substantially jeopardizes the fiscal integrity of the municipality.

2. Section 56 of P. L. 1947, c. 151 (C. 52:27BB–56) is amended to read as follows:

C. 52:27BB-56 Determination by the board: Notice and hearing.

56. Determination by the board: Notice and hearing. If the director finds in the course of his duties that any of the conditions listed in section 55 of this act exists in a municipality not subject to supervision under sections 52:27–1 to 52:27–66, inclusive, of the Revised Statutes, he shall forthwith give notice to the governing body that the question of the application of this article to that municipality will be placed before the board for its determination at a time and place which shall be stated in the notice.

The board, at the time and place stated in the notice, shall give the local governing body and any other interested parties an opportunity to be heard. If the board finds, after hearing, that any of the conditions listed in section 55 of this act exists in the municipality, it may by resolution determine that the municipality is subject to supervision pursuant to this article (C. 52:27BB–54 et seq.) and sections 20 and 21 of this amendatory and supplementary act.

The resolution shall be submitted to the Commissioner of the Department of Community Affairs, the State Treasurer and the Attorney General and shall be effective upon the approval by any two of the above cabinet officers. To remain effective, the resolution shall be renewed each year by the board and approved by two of the above named cabinet officers.

The resolution shall state for each municipality subject to supervision pursuant to this article and sections 20 and 21 of this amendatory and supplementary act, which of the provisions of this article and sections 20 and 21 of this amendatory and supplementary act are in effect within the municipality.

Thereafter, the board may modify the resolution to terminate or limit the operation of any provisions of this article, or, with the approval of any two of the above cabinet officers, to put additional provisions into effect.

Notice shall be given by registered mail to the clerk of the municipality. Upon receipt of such notice the governing body and municipal officers shall observe the provisions of this article and shall comply with all orders of the director issued under it while the municipality remains subject to its provisions.

3. Section 57 of P. L. 1947, c. 151 (C. 52:27BB–57) is amended to read as follows:

C. 52:27BB-57 Limitation on debt and other financial liabilities.

57. Limitation on debt and other financial liabilities. The board may require that obligations, bonded or otherwise, shall not be issued or authorized by the municipality, including school districts or any special districts except as expressly authorized by the director.

The board may require that the municipality and its special districts shall not borrow any moneys, make any purchase, enter into any arrangements or contracts requiring the expenditure of any revenues or engaging the credit of the municipality in any way or undertake any financial liabilities or indebtedness whatsoever unless expressly authorized by the director. The board shall limit those purchases and contracts requiring authorization of the director to those exceeding $4,500.00, unless the board shall find good and sufficient cause for requiring otherwise. In any case, the board shall inform the municipal governing body, by resolution, of the types and amounts of the purchases and contracts which shall require authorization.

4. Section 58 of P. L. 1947, c. 151 (C. 52:27BB–58) is amended to read as follows:

C. 52:27BB-58 Limitation upon appropriations and expenditures.

58. Limitation upon appropriations and expenditures. The board may require that any or all expenditures and appropriations of a municipality subject to this article and sections 20 and 21 of this amendatory and supplementary act be expressly authorized by the director.

This section shall not be construed to authorize an appropriation of less than the full amount required for the payment of debt service; or to authorize the abrogation of any covenant entered into with bondholders. With the approval of the director, the municipality may exceed the spending limitations of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.).

5. Section 60 of P. L. 1947, c. 151 (C. 52:27BB–60) is amended to read as follows:

C. 52:27BB-60 Compliance with requirements of law.

60. Compliance with requirements of law. The director may order the governing body or an officer of a municipality subject to this article to perform any duty prescribed by law whether or not a specific penalty or enforcement procedure is provided by such law. The orders may be enforced as authorized by law. Whenever any directive of the board or director has not been fully performed or carried out by the officials or employees of the municipality, the board may perform directly or cause to be performed by its agents including the director, in the name of the municipality, such act.

The board may direct that any or all municipal officers and employees shall work under the supervision of the director to the extent that their duties and responsibilities relate to the fiscal affairs of the municipality. However, nothing herein shall infringe or supersede any supervisory powers which the Director of the Division of Taxation in the State Department of the Treasury may have.

6. Section 61 of P. L. 1947, c. 151 (C. 52:27BB–61) is amended to read as follows:

C. 52:27BB-61 Liquidation of debt.

61. Liquidation of debt. The board may, under this section, authorize or direct a municipality subject to this act to liquidate or refinance its current debt pursuant to a plan.

Liquidations under this section shall be in accordance with a plan of liquidation adopted by the board. A plan so adopted and approved shall be binding upon the municipality and annual appropriations as required by the plan shall be mandatory. A plan shall not be amended except with the prior written consent of the board.

Whenever a municipality is operating under an approved plan of liquidation, the supervision of the board shall continue for the duration of the liquidation plan, notwithstanding the operation of the termination provisions in section 91 (C. 52:27BB–91).

7. Section 73 of P. L. 1947, c. 151 (C. 52:27BB–73) is amended to read as follows:

C. 52:27BB-73 Supervision of revenue administration.

73. Supervision of revenue administration. If the board finds that tax assets are not being realized upon because of weak or inadequate revenue administration, it may have the director supervise and control the methods and procedures used for the assessment, collection, and enforcement of taxes upon real and personal property; and the administration of licenses and other miscellaneous revenues.

The board shall determine the specific changes in revenue administration that are necessary in the municipality. The measures determined by the board as necessary may be enforced by order of the board in the same manner as authorized for other orders of the board. But the concurrence of the Director of the Division of Taxation in the State Department of the Treasury shall be a condition precedent to the enforcement by the board of such orders as fall within the scope of the said director's supervisory powers.

8. Section 80 of P. L. 1947, c. 151 (C. 52:27BB–80) is amended to read as follows:

C. 52:27BB-80 Fiscal control officer; appointment; compensation; bond; termination of services.

80. The board may recommend to the local governing body that a fiscal control officer be appointed. If the board recommends the appointment of an officer, it shall submit to the governing body the names of not less than three persons who are found by the board to be qualified to perform the duties of officer for that municipality. The governing body shall, thereupon, appoint as officer one of the persons so named.

The officer shall receive compensation for his services to be paid out of the funds of the municipality in an amount fixed by the

governing body and approved by the board. He shall give bond for the faithful performance of his duties in an amount fixed by the governing body and approved by the board. An officer shall continue his employment until his services are terminated by the governing body, with the approval of the board.

9. Section 81 of P. L. 1947, c. 151 (C. 52:27BB–81) is amended to read as follows:

C. 52:27BB-81 Fiscal control officer; powers and duties.

81. Fiscal control officer; powers and duties. An officer shall have such of the powers and duties of the director in sections 57 and 58 and 82 to 87 inclusive, of this act, as are specifically assigned to him by the board. An officer shall exercise his powers and perform his duties under the general supervision of the director.

10. Section 82 of P. L. 1947, c. 151 (C. 52:27BB–82) is amended to read as follows:

C. 52:27BB-82 Administration of assets and liabilities.

82. Administration of assets and liabilities. If the board finds the unsound financial conditions in the municipality are due in whole or in part to failure to liquidate old liabilities, excluding those covered by section 61 (C. 52:27BB–61), it may authorize the director to liquidate any or all of the municipality's liabilities which are due and unpaid for more than 2 years and all of its unrealized assets which have been outstanding for 2 years, computed in the case of taxes and assessments from December 1 of the year of levy or assessment, other intangible property from the date of accrual, and tangible property from the date of acquisition of title. The several officers of the municipality shall thereafter, immediately upon request by the director, certify to him all assets and liabilities of the municipality which have been placed under his administration pursuant to this section and shall at the same time deliver to him all evidence and records of the existence and legality of such assets and liabilities as may be in their possession or control.

The director shall exercise in the name of the municipality, all powers pertaining to the enforcement of obligations that are vested by law in the municipality. But the director shall have no power to accept less than the full amount in satisfaction of the obligations, nor to agree to the transfer of title of property to the municipality in lieu thereof without the prior approval of the governing body. The director shall forthwith pay all moneys coming into his hands to the treasurer.

11. Section 83 of P. L. 1947, c. 151 (C. 52:27BB–83) is amended to read as follows:

C. 52:27BB-83 Liquidation fund.

83. Liquidation fund. In a municipality not operating on a full cash basis, the treasurer shall place such moneys, paid to him pursuant to section 82 of this act, in a separate "liquidation fund." The director may apply the proceeds of the "liquidation fund" to the payment of obligations placed under his administration.

12. Section 84 of P. L. 1947, c. 151 (C. 52:27BB–84) is amended to read as follows:

C. 52:27BB-84 Study of cooperative agreements.

84. Study of cooperative agreements. The director when so instructed by the board shall fully investigate and determine the possibilities of maintaining the services of the municipality at lower cost through the use of contractual agreements with other municipalities or with the county. He shall report his conclusions to the governing body and to the board. When so designated by the board, he shall act as the agent of the municipality in the negotiation of agreements with other jurisdictions.

13. Section 85 of P. L. 1947, c. 151 (C. 52:27BB–85) is amended to read as follows:

C. 52:27BB-85 Director may act as controller.

85. Director may act as controller. If the board finds that sound fiscal conditions will be promoted by the exercise of a control function in the municipality and that the function is not, or cannot be, maintained in a practical manner by regular local officers, the board may instruct the director to perform the control function.

14. Section 86 of P. L. 1947, c. 151 (C. 52:27BB–86) is amended to read as follows:

C. 52:27BB-86 Procedure of control.

86. Procedure of control. The board may prescribe the procedure to be followed in each municipality in which the director is authorized and directed to exercise the control function. The board shall prescribe a procedure that so far as possible will restrict expenditures and commitments for expenditures to actual cash available and will safeguard the payment of commitments and regular expenses.

15. Section 87 of P. L. 1947, c. 151 (C. 52:27BB–87) is amended to read as follows:

C. 52:27BB-87 Preparation of budgets.

87. Preparation of budgets. The director shall fix a date for the municipal governing body to submit its proposed annual budget to the board. The board may approve the budget, modify it or instruct the director to prepare an alternative budget to be submitted to the board for its approval. Once a budget is approved by the board, it shall be deemed adopted.

Nothing in this act shall limit the power of the chief administrative officer of the municipality and the municipal governing body pursuant to law in consultation with the director to determine within funds available in its annual budget the purposes for which expenditures are to be made by the municipality and the amounts of these expenditures, subject to law and the general requirements imposed by the board on the financial affairs of the municipality.

The board may approve a budget which exceeds the spending limitations of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.).

If the board finds that the appropriation of the amounts required for "deferred charges and statutory expenditures" other than debt service, cannot be made without a probable increase in the cash deficit, the board may authorize by written order an appropriation of less than the full amount required for "deferred charges and statutory expenditures" but not less than the greatest amount that the board finds possible without an anticipated increase in the cash deficit. If a liquidation fund has been created in the municipality, in accordance with section 83 of this act, the board may authorize the appropriation to be made to the liquidation fund in lieu of that for "deferred charges and statutory expenditures."

This section shall not be construed to authorize the appropriation of less than the full amount required for the payment of debt service, for a judgment, or for any other item for which the municipality is obligated by contract to appropriate a specific sum.

16. Section 88 of P. L. 1947, c. 151 (C. 52:27BB–88) is amended to read as follows:

C. 52:27BB-88 Fiscal control officer agent of board.

88. Fiscal control officer agent of board. The fiscal control officer appointed pursuant to section 80 shall perform as the agent of the director such duties with respect to the fiscal affairs of the municipality as the director in the exercise of his powers, may require.

17. Section 89 of P. L. 1947, c. 151 (C. 52:27BB–89) is amended to read as follows:

C. 52:27BB-89 General duties of board.

89. General duties of board. The board shall exercise its powers, shall offer guidance and assistance, and shall in every other respect promote the rehabilitation of the financial affairs of the municipality.

18. Section 90 of P. L. 1947, c. 151 (C. 52:27BB–90) is amended to read as follows:

C. 52:27BB-90 Delegation of powers to director.

90. Delegation of powers to director. The powers and duties vested by this act in the board may be exercised by the director under the supervision of the board when so authorized by resolution of the board.

19. Section 91 of P. L. 1947, c. 151 (C. 52:27BB–91) is amended to read as follows:

C. 52:27BB-91 Termination of supervision.

91. Termination of supervision. State supervision of a municipality pursuant to this act shall cease if: (1) the resolution placing the municipality under State supervision has not been renewed in accordance with section 56, or (2) the conditions listed in section 55 of this act have ceased and the municipality has operated during the last fiscal year without incurring a cash deficit (as computed in the manner provided by N. J. S. 40A:4–42).

When the director finds that none of the conditions listed in section 55 of this act have existed for the period of 1 year in a municipality subject to this article, and he finds that the municipality operated during the last fiscal year without incurring a cash deficit (as computed in the manner provided by N. J. S. 40A:4–42) he shall give notice to the local governing body that the question of the application of this article to that municipality will be placed before the board for its determination at a time and place which shall be stated in the notice.

The board, at the time and place stated in the notice, shall, after giving the local governing body and other interested parties an opportunity to be heard, determine whether any of the conditions listed in section 55 (C. 52:27BB–55) continues to exist in the municipality, and whether the municipality operated during the last fiscal year without incurring such cash deficit. If the board finds that such conditions have not existed for the period of 1 year, and that the municipality operated during said year without incurring such cash deficit, it shall, by resolution, determine that the

provisions of this article will no longer be in effect in the municipality.

The director shall forthwith certify to the governing body that the provisions of this article no longer affect that municipality.

Notice shall be given by registered mail to the clerk of the municipality.

C. 52:27BB-66.1 Review and approval of director of collective bargaining agreements; arbitration award binding; appointment or dismissal of unclassified persons; fixing conditions of employment.

20. (New section) The board may provide that all collective bargaining agreements entered into during the time the municipality is subject to the provisions of this act shall be subject to the review and approval of the director. However, in any instance where negotiations on a collective bargaining agreement have reached an impasse and the matter has been submitted to an arbitrator pursuant to law, any arbitration award shall be binding without the approval of the director. In any arbitration proceeding the director shall furnish the arbitrator with a statement of the financial condition and capacity of the municipality.

The board may authorize the municipality to appoint or dismiss unclassified persons in managerial positions necessary to the rehabilitation of the financial affairs of the municipality without regard to any procedural or other statutory requirements.

The board may authorize the director to fix the hours and terms and conditions of employment for all municipal employees, and to appoint and dismiss municipal employees, to the extent permitted under the provisions of Title 11 of the Revised Statutes and of any collective bargaining agreements in effect.

C. 52:27BB-95.1 Reimbursement by municipality.

21. (New section) Subject to the inclusion in the annual State appropriations act of an amount of anticipated revenues from that source, the State shall be reimbursed by the municipality for the reasonable value of services which it provided to the municipality pursuant to this act.

C. 54:4-2.2e1 Exclusion of amount equal to in lieu of tax payment.

22. (New section) P. L. 1977, c. 272 is supplemented as follows:

Notwithstanding the provisions of section 5 of P. L. 1977, c. 272 (C. 54:4–2.2e), if the State has provided, or by May 1 of the year immediately succeeding the year of the director's computation

pursuant to that section is scheduled to provide, an advance payment or payments to a municipality subject to article IV of the "Local Government Supervision Act (1947)," P. L. 1947, c. 151 (C. 52:27BB–54 et seq.) for the State's liability for in lieu of tax payment on behalf of any new State facility, including the land on which the facility is located, to be constructed in the municipality; then, commencing with the computations and certifications for the first year for which the State is liable to the municipality for said payments, the Director of the Division of Taxation shall exclude from the amount certified in lieu of tax payment required each year by P. L. 1977, c. 272, an amount equal to that which the State would otherwise be obligated to pay the municipality pursuant to P. L. 1977, c. 272 for that facility including the land on which the facility is located until the total amount withheld from in lieu of tax payments to the municipality equals the amount of the advance payment or payments made to the municipality.

The Director of the Division of Local Government Services shall each year on or before November 1 provide the Director of the Division of Taxation with a certification of the amounts and dates of said advance payment or payments which have been provided or are scheduled to be provided by May 1 of the immediately succeeding year. These certifications for a municipality shall no longer be provided when the Director of the Division of Taxation notifies the Director of the Division of Local Government Services that the amount which has been excluded for a municipality equals what the State was otherwise obligated to pay the municipality pursuant to this section.

Repealer.

23. Sections 64 (C. 52:27BB–64), 69 to 72 (C. 52:27BB–69 to 52:27BB–72) and 92 to 95 (C. 52:27BB–92 to 52:27BB–95) of P. L. 1947, c. 151 are repealed.

24. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 212

AN ACT concerning the "Teachers' Pension and Annuity Fund Law," amending N. J. S. 18A:66–35 and supplementing chapter 66 of Title 18A of the New Jersey Statutes.

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

1. N. J. S. 18A:66–35 is amended to read as follows:

Loans.

18A:66–35. Any member who has at least 3 years of service to his credit for which he has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of his accumulated deductions, but not less than $50.00; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from compensation, not in excess of 25% of the member's compensation, made at the same time compensation is paid to the member. The amount so borrowed, together with interest at the rate of 4% per annum on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deduction from the compensation of the member at the time the compensation is paid or in such lump sum amount to repay the balance of the loan but such installment shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this article applies or shall apply, the additional deductions required to repay the loan shall be made.

Loans shall be made to a member from his accumulated deductions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.

C. 18A:66-35.1 Retirement without paying full amount borrowed; retention of retirement benefit payments and other remedies.

2. (New section) In the case of any member who retires without paying the full amount so borrowed, the Division of Pensions shall retain the retirement benefit payments, excluding authorized deductions of that member as repayment of the loan until the aggre-

gate amount of the retirement benefit payments are equal to the outstanding balance of the loan, together with the interest at the rate of 4% per annum on the amount so borrowed, at which time the retired member shall receive his retirement benefit payments. In the case of a pensioner who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefit payable on the account of the pensioner either in the form of monthly payments due to his beneficiaries or in the form of lump sum payments payable for pension or group life insurance.

3. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 213

AN ACT concerning the direct deposit of retirement allowances.

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

C. 43:3C-4 "Depository institution" defined.

1. As used in this act, "depository institution" means a banking institution as defined in section 1 of "The Banking Act of 1948," P. L. 1948, c. 67 (C. 17:9A–1); an association as defined in section 5 of the "Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B–5); an insured Federal credit union or an insured State chartered credit union as defined in section 1 of P. L. 1938, c. 293 (C. 17:13–26).

C. 43:3C-5 Division of Pensions to honor direct deposit agreements.

2. Any law, rule or regulation to the contrary notwithstanding, the Division of Pensions shall honor an agreement executed between a retirant or beneficiary of any retirement system established pursuant to the laws of this State and a depository institution for the direct deposit in the depository institution of the monthly payment of the retirement allowance of the retirant or beneficiary; provided, however, that the depository institution assumes the full responsibility for the receipt and collection of the monthly payment, and, provided further that the agreement is consummated pursuant to such rules and regulations as shall be promulgated by the Division of Pensions.

3. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 214

A SUPPLEMENT to "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. State Aid

DEPARTMENT OF LABOR AND INDUSTRY

54 Manpower and Employment Services—State Aid

In addition to the amounts appropriated by P. L. 1980, c. 56 there is appropriated to the Department of Labor and Industry from the General State Fund the sum of $1,000,000.00* as State Aid for sheltered workshop support (State share).

2. This act shall take effect immediately.

Approved July 20, 1981.

* Reduced to $600,000.00 by line item veto of the Governor. See statement following:

STATEMENT TO SENATE BILL No. 3056 (OCR)

Pursuant to Article V, Section I, Paragraph 15 of the Constitution, I am appending to Senate Bill No. 3056 (OCR) at the time of signing it, this statement of the items, or parts thereof, to which I object so that each item or part thereof, so objected to shall not take effect.

On page 1, section 1, line 3: delete "$1,000,000.00" and insert "$600,000.00".

This bill would provide $1 million in supplemental funding, to be charged to fiscal year 1981 accounts, for State support of sheltered workshops. Workshops are non-profit organizations that, by contract with the State, employ mentally ill, mentally retarded, and

other handicapped persons in a supportive environment in their communities. In the fiscal year 1981 budget, the State appropriated $2.975 million for direct State services to sheltered workshops. According to audits by the Department of Labor, several workshops are now on the brink of insolvency. Several others may be compelled to limit admissions, forcing people to remain in more restrictive settings while they wait for openings in workshops. The department found that at least about $600,000.00 in additional funding is needed.

Accordingly, I have reduced the amount appropriated to $600,000.00.

Respectfully,

[SEAL] /s/ BRENDAN BYRNE,
Attest: *Governor.*
HAROLD L. HODES,
Chief of Staff, Secretary.

CHAPTER 215

AN ACT concerning the interest rate limitation on obligations of local units and repealing N. J. S. 40A:2–23.

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

Repealer.

1. N. J. S. 40A:2–23 is repealed.

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 216

AN ACT concerning the operation of swimming pools and supplementing Title 26 of the Revised Statutes.

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

C. 26:4A-1.1 Training required for swimming pool personnel.

1. Notwithstanding any contrary provisions of P. L. 1946, c. 172 (C. 26:4A–1 et seq.) or any rules or regulations adopted pursuant thereto, a person operating a swimming pool or public swimming place of less than 1,000 square feet may provide adequate trained personnel by employing a person, 18 years of age or older, who is certified by the American Red Cross in basic rescue and water safety and standard or multimedia first aid, and by the American Red Cross or the American Heart Association in cardiopulmonary resuscitation.

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 217

AN ACT concerning the imposition of certain encumbrances against the estates of recipients of medical and health services and pharmaceutical assistance and supplementing P. L. 1968, c. 413.

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

C. 30:4D-7.2a Encumbrances barred against estates of recipients of medical assistance.

1. No encumbrance or recovery of any kind shall be imposed against or sought from the estate of a qualified applicant or an eligible person after his death because of assistance paid, or to be paid, on his behalf under the "Medical Assistance and Health Services Act," P. L. 1968, c. 413 (C. 30:4D–1 et seq.) or the "Pharmaceutical Assistance to the Aged" program, P. L. 1975, c. 194 (C. 30:4D–20 et seq.), except for assistance incorrectly or illegally paid, or for third-party liability recoveries sought under this act, if the amount sought to be recovered is less than $500.00 or the estate is less than $3,000.00 or there is a surviving spouse or child.

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 218

AN ACT to exempt certain fishing vessels from the sales and use tax, amending P. L. 1980, c. 105, and supplementing P. L. 1966, c. 30.

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

1. Section 24 of P. L. 1980, c. 105 (C. 54:32B–8.12) is amended to read as follows:

C. 54:32B-8.12 Fishing vessels exempt from sales and use tax.

24. Receipts from sales or charges for repairs, alterations or conversion of commercial ships or any component thereof including cargo containers of any type whatsoever, barges and other vessels of 50-ton burden or over, primarily engaged in interstate or foreign commerce, or other vessels, regardless of tonnage, primarily engaged in commercial fishing or shell fishing, including equipment necessary for harvesting fish, shellfish and other crustaceans and aquatic organisms, or other vessels primarily engaged in commercial party boat (head boat) sport fishing and subject to annual inspection by the United States Coast Guard, and of governmentally-owned ships, barges and other vessels and property used by or purchased for the use of such vessels for fuel, provisions, supplies, maintenance and repairs (other than articles purchased for the original equipping of a new ship) are exempt from the tax imposed under the Sales and Use Tax Act.

2. (New section) Any person who has paid sales and use taxes on items within 2 years prior to the effective date of this amendatory and supplementary act, which items are now exempt under the provisions of this amendatory and supplementary act, may file a claim for refund of those paid taxes no later than 90 days after the effective date of this amendatory and supplementary act.

3. This act shall take effect immediately and shall be retroactive to March 1, 1970.

Approved July 20, 1981.

CHAPTER 219

AN ACT concerning the possession of weapons under certain circumstances and amending N. J. S. 2C:39–6.

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

1. N. J. S. 2C:39–6 is amended to read as follows:

Exemptions.

2C:39–6. Exemptions. a. Section 2C:39–5 does not apply to:

(1) Members of the Armed Forces of the United States or of the National Guard while actually on duty, or while traveling between places of duty and carrying authorized weapons in the manner prescribed by the appropriate military authorities;

(2) Federal law enforcement officers, and any other Federal officers and employees required to carry firearms in the performance of their official duties;

(3) Members of the State Police, a motor vehicle inspector;

(4) A sheriff, undersheriff, sheriff's officer, county prosecutor, assistant prosecutor, prosecutor's detective or investigator, deputy attorney general or State Investigator employed by the Division of Criminal Justice of the Department of Law and Public Safety, investigator employed by the State Commission of Investigation, inspectors and investigators of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety, State park ranger, or State conservation officer;

(5) A prison or jail warden or his deputies, a correction officer or keeper of any penal institution in this State, or an employee of the Department of Corrections engaged in the interstate transportation of convicted offenders, while in the performance of his duties, and when required to possess such a weapon by his superior officer;

(6) A civilian employee of the United States Government under the supervision of the commanding officer of any post, camp, station, base or other military or naval installation located in this State who is required, in the performance of his official duties, to carry firearms, and who is authorized to carry such firearms by said commanding officer, while in the actual performance of his official duties; or

(7) A regularly employed member, including a detective, of the police department of any county or municipality, or of any State, interstate, municipal or county park police force or boulevard police force, at all times while in the State of New Jersey, or a special policeman appointed by the governing body of any county or municipality or by the commission, board or other body having control of a county park or boulevard police force, while engaged in the actual performance of his official duties and when specifically authorized by the governing body to carry weapons.

(8) County park police while engaged in the actual performance of their official duties.

b. Subsections a., b. and c. of section 2C:39–5 do not apply to:

(1) A law enforcement officer employed by a governmental agency outside of the State of New Jersey while actually engaged in his official duties, provided, however, that he has first notified the superintendent or the chief law enforcement officer of the municipality or the prosecutor of the county in which he is engaged; or

(2) A licensed dealer in firearms and his registered employees during the course of their normal business while traveling to and from their place of business and other places for the purpose of demonstration, exhibition or delivery in connection with a sale, provided, however, that any such weapon is carried in the manner specified in subsection g. of this section.

c. Subsections b. and c. of section 2C:39–5 do not apply to:

(1) A railway policeman, while in the actual performance of his official duties and while going to or from his place of duty, a campus police officer appointed pursuant to P. L. 1970, c. 211 (C. 18A:6–4.2 et seq.) or any other police officer, while in the actual performance of his official duties;

(2) A State deputy conservation officer or a full-time employee of the Division of Parks and Forestry having the power of arrest and authorized to carry weapons, while in the actual performance of his official duties;

(3) A full-time member of the marine patrol force or a special marine patrolman authorized to carry such a weapon by the Commissioner of Environmental Protection, while in the actual performance of his official duties;

(4) A court attendant serving as such under appointment by the sheriff of the county or by the judge or magistrate of any court of this State, while in the actual performance of his official duties;

(5) A guard in the employ of any railway express company, banking or building and loan or savings and loan institution of this State, while in the actual performance of his official duties;

(6) A member of a legally recognized military organization while actually under orders or while going to or from the prescribed place of meeting and carrying the weapons prescribed for drill, exercise or parade;

(7) An officer of the Society for the Prevention of Cruelty to Animals, while in the actual performance of his duties; or

(8) An employee of a public utilities corporation actually engaged in the transportation of explosives.

d. Subsections c. and d. of section 2C:39–5 do not apply to antique firearms, provided that such antique firearms are unloaded or are being fired for the purposes of exhibition or demonstration at an authorized target range or in such other manner as has been approved in writing by the chief law enforcement officer of the municipality in which the exhibition or demonstration is held.

e. Nothing in subsections b., c. and d. of section 2C:39–5 shall be construed to prevent a person keeping or carrying about his place of business, residence, premises or other land owned or possessed by him, any firearm, or from carrying the same, in the manner specified in subsection g. of this section, from any place of purchase to his residence or place of business, between his dwelling and his place of business, between one place of business or residence and another when moving, or between his dwelling or place of business and place where such firearms are repaired, for the purpose of repair. For the purposes of this section, a place of business shall be deemed to be a fixed location.

f. Nothing in subsections b., c. and d. of section 2C:39–5 shall be construed to prevent:

(1) A member of any rifle or pistol club organized in accordance with the rules prescribed by the National Board for the Promotion of Rifle Practice, in going to or from a place of target practice, carrying such firearms as are necessary for said target practice, provided that the club has filed a copy of its charter with the superintendent and annually submits a list of its members to the superintendent, and provided further that the firearms are carried in the manner specified in subsection g. of this section;

(2) A person carrying a firearm or knife in the woods or fields or upon the waters of this State for the purpose of hunting, target practice or fishing, provided that the firearm or knife is legal and

appropriate for hunting or fishing purposes in this State and he has in his possession a valid hunting license, or, with respect to fresh water fishing, a valid fishing license;

(3) A person transporting any firearm or knife while traveling:

(a) Directly to or from any place for the purpose of hunting or fishing, provided such person has in his possession a valid hunting or fishing license; or

(b) Directly to or from any target range, or other authorized place for the purpose of practice, match, target, trap or skeet shooting exhibitions, provided in all cases that during the course of such travel all firearms are carried in the manner specified in subsection g. of this section and the person has complied with all the provisions and requirements of Title 23 of the Revised Statutes and any amendments thereto and all rules and regulations promulgated thereunder; or

(c) In the case of a firearm, directly to or from any exhibition or display of firearms which is sponsored by any law enforcement agency, any rifle or pistol club, or any firearms collectors club, for the purpose of displaying of the firearms to the public or to the members of such organization or club, provided, however, that not less than 30 days prior to such exhibition or display, notice of such exhibition or display shall be given to the Superintendent of the State Police by the sponsoring organization or club, and the sponsor has complied with such reasonable safety regulations as the superintendent may promulgate. Any firearms transported pursuant to this section must be transported in the manner specified in subsection g. of this section.

g. All weapons being transported under subsections b. (2), e. or f. (1) or (3) of this section shall be carried unloaded and contained in a closed and fastened case, gunbox, securely tied package, or locked in the trunk of the automobile in which it is being transported, and the course of travel shall include only such deviations as are reasonably necessary under the circumstances; or

h. Nothing in subsection d. of section 2C:39–5 shall be construed to prevent any employee of a public utility, as defined in R. S. 48:2–13, doing business in this State or any United States Postal Service employee, while in the actual performance of duties which specifically require regular and frequent visits to private premises, from possessing, carrying or using any device which projects, releases or emits any substance specified as being noninjurious to canines or other animals by the Commissioner of Health and which immobilizes only on a temporary basis and produces only tempo-

rary physical discomfort through being vaporized or otherwise dispensed in the air for the sole purpose of repelling canine or other animal attacks.

The device shall be used solely to repel only those canine or other animal attacks when the canines or other animals are not restrained in a fashion sufficient to allow the employee to properly perform his duties.

Any device used pursuant to this act shall be selected from a list of products, which consist of active and inert ingredients, permitted by the Commissioner of Health.

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 220

AN ACT concerning the right-of-way of pedestrians, amending sections 39:4–34, 39:4–35, and 39:4–36 of the Revised Statutes, and directing the Office of Highway Safety to conduct a public information campaign and a study to determine the most effective manner of implementation of this act.

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

1. R. S. 39:4–34 is amended to read as follows:

Crossing within crosswalk or right angles; walking while facing traffic; use of sidewalks.

39:4–34. Where traffic is not controlled and directed either by a police officer or a traffic control signal, pedestrians shall cross the roadway within a crosswalk or, in the absence of a crosswalk, and where not otherwise prohibited, at right angles to the roadway. It shall be unlawful for a pedestrian to cross any highway having roadways separated by a medial barrier, except where provision is made for pedestrian crossing. On all highways where there are no sidewalks or paths provided for pedestrian use, pedestrians shall, when practicable, walk only on the extreme left side of the roadway or its shoulder facing approaching traffic.

Where sidewalks are provided it shall be unlawful for any pedestrian to walk along and upon an adjacent roadway.

2. R. S. 39:4–35 is amended to read as follows:

Right-of-way at crosswalk.

39:4–35. No operator of a vehicle shall fail to give the right-of-way to a pedestrian at a crosswalk, whether marked or unmarked, where the pedestrian having started to cross with the proper signal finds himself still within the intersection when the signal changes.

3. R. S. 39:4–36 is amended to read as follows:

Yielding to pedestrian at crosswalk.

39:4–36. The driver of a vehicle shall yield the right-of-way to a pedestrian crossing the roadway within a marked crosswalk or within any unmarked crosswalk at an intersection, except at crosswalks when the movement of traffic is being regulated by police officers or traffic control signals, or where otherwise prohibited by municipal, county, or State regulation, and except where a pedestrian tunnel or overhead pedestrian crossing has been provided, but no pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. Nothing contained herein shall relieve a pedestrian from using due care for his safety.

Whenever any vehicle is stopped to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass such stopped vehicle.

Every pedestrian upon a roadway at any point other than within a marked crosswalk or within an unmarked crosswalk at an intersection shall yield the right-of-way to all vehicles upon the roadway.

Nothing contained herein shall relieve a driver from the duty to exercise due care for the safety of any pedestrian upon a roadway.

4. Within 120 days following the effective date of this act the Office of Highway Safety created pursuant to P. L. 1971, c. 351, section 12 (C. 27:5F–12) is directed to conduct and complete a Statewide public information campaign in order to acquaint the members of the general public with their duties and responsibilities pursuant to this act.

5. Within 1 year from the effective date of this act the Office of Highway Safety is directed to conduct a study to determine the effectiveness of this act and shall make an advisory report on same

to the Governor and the Legislature accompanied by any recommendations for legislation which it deems appropriate.

6. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 221

AN ACT concerning the disposal of solid waste and supplementing the "Solid Waste Utility Control Act of 1970," approved May 6, 1970 (P. L. 1970, c. 40, C. 48:13A–1 et seq.).

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

C. 48:13A-6.1 Tariff; approval; exception.

1. Notwithstanding the provision of any other law, rule or regulation to the contrary, no sanitary landfill facility shall commence or continue operation unless a tariff therefor has been filed and approved by the Board of Public Utilities pursuant to the "Solid Waste Utility Control Act of 1970" (P. L. 1970, c. 40, C. 48:13A–1 et seq.). No sanitary landfill facility shall operate under any conditions contrary to those specifically set forth in its approved tariff.

This act shall not apply to sanitary landfill facilities operated by an authority created under P. L. 1946, c. 138 (C. 40:14A–1 et seq.) or P. L. 1957, c. 183 (C. 40:14B–1 et seq.).

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 222

AN ACT concerning school elections, providing for the designation of polling places other than schoolhouses or public buildings and amending N. J. S. 18A:14–4.

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

1. N. J. S. 18A:14–4 is amended to read as follows:

Polling places; selection.

18A:14–4. The board shall provide at least one polling place for each school election in a schoolhouse or other convenient public place within the school district and shall provide additional polling districts and places, when and as in this article provided. Such school elections may be held in a schoolhouse of the district located without the territorial boundaries of the district.

The board may select a polling place other than a schoolhouse or public building for a school election, when the location of the schoolhouses and public buildings in the school district is such that inconvenience would be caused the voters of such school district by locating the polling place in a schoolhouse or public building. In the selection of a polling place other than a schoolhouse or public building, consideration shall be given to the use of buildings accessible to elderly and physically disabled persons.

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 223

AN ACT concerning the jurisdiction of the county district court, amending P. L. 1965, c. 103 and sections 2A:6–34, 2A:6–35, 2A:6–43, 2A:6–44, 2A:15–62 and 2A:18–62 of the New Jersey Statutes.

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

1. N. J. S. 2A:6–34 is amended to read as follows:

Jurisdiction of county district courts; amount.

2A:6–34. (a) Every action of a civil nature at law, other than a proceeding in lieu of a prerogative writ, and every action to recover any penalty imposed or authorized by any law of this State, where the debt, balance, penalty, damage or other matter in dispute does not exceed, the sum or value of $5,000.00, exclusive of costs, shall be cognizable in the county district courts of this State.

(b) County district courts shall also have jurisdiction in actions between landlords and tenants; in actions of replevin where the value of the goods or chattels of which replevin is sought does not exceed the value of $5,000.00, exclusive of costs; and in actions of attachment, for a sum not exceeding $5,000.00, exclusive of costs.

(c) County district courts shall have jurisdiction of actions by or against boards of chosen freeholders, quasi, domestic, foreign and municipal corporations, equally with natural persons, of actions by creditors of a decedent against the heirs or devisees of the decedent where the amount in dispute, exclusive of costs, does not exceed the sum or value of $5,000.00, and of such other actions or proceedings as are now or may hereafter be given by law.

(d) In any action transferred to the county district court from the Superior Court, the county district court shall have jurisdiction to enter judgment in such amount as the judge or jury shall determine the damages to be, notwithstanding that such damages exceed the sum of $5,000.00; provided that such jurisdiction shall not be considered in determining whether costs shall be denied in the Superior Court pursuant to section 2A:15–62 of the New Jersey Statutes.

2. Section 1 of P. L. 1965, c. 103 (2A:6–34.1) is amended to read as follows:

C. 2A:6-34.1 Jurisdiction of county district courts in actions for damages.

1. For the purpose of determining the jurisdiction of the county district courts in actions for damages resulting from negligence, which is provided by law to be sums not in excess of $5,000.00, exclusive of costs, the said county district courts shall have jurisdiction in such cases where several distinct separate claims are made and asserted in one action on separate counts or otherwise, notwithstanding that the said claims in the aggregate shall exceed $5,000.00 exclusive of costs, provided none of the separate distinct claims shall exceed $5,000.00. The provisions of this act shall be applicable to and shall be deemed to be a part of any statutory reference to the said jurisdiction of the county district courts relating to actions for damages resulting from negligence.

3. N. J. S. 2A:6–35 is amended to read as follows:

Recovery of claim; waiver of excess over $5,000.00.

2A:6–35. (a) Where the debt, balance or other matter in dispute, or the amount really due or recoverable, exceeds, exclusive of costs, the sum or value of $5,000.00, either plaintiff or defendant may

recover in a county district court a sum not exceeding $5,000.00 and costs. Such recovery shall bar the recovery of the residue of such debt, balance or other matter in dispute in any court whatsoever.

(b) The plaintiff in a complaint or the defendant in a counterclaim or third party complaint may waive the excess over $5,000.00, in order to bring the respective claim within the jurisdiction of the county district court.

(c) The provisions of this section shall not apply to any action transferred to a county district court pursuant to P. L. 1953, c. 394 (C. 2A:15-47.1).

4. N. J. S. 2A:6-43 is amended to read as follows:

Jurisdiction of division of small claims.

2A:6-43. The division of small claims of the county district court shall have jurisdiction of actions in contract and actions for property damage resulting from negligence in a motor vehicle accident and actions between landlord and tenant where the matter in dispute is the return of all or part of a security deposit, which jurisdiction shall be coextensive with the county district court where the debt, balance, penalty or other contractual or negligence matter in dispute does not exceed, exclusive of costs, the sum of $1,000.00. Jurisdiction under this article shall be limited to debts, claims and demands held by the person with whom or for whose benefit such debt, claim or demand arose, and shall not extend to debts, claims or demands held by assignment or transfer; except that, any corporation may transfer or assign any debt, claim or demand held by it to one of its officers for the purpose of bringing action thereon only, and, when so transferred or assigned, shall be within the jurisdiction of the division of small claims of the county district court. All defenses, setoffs and counterclaims available against a corporation may be asserted in any action brought by the corporate officer on any debt, claim or demand so transferred or assigned.

5. N. J. S. 2A:6-44 is amended to read as follows:

Recovery of amount not exceeding $1,000.00; waiver of excess.

2A:6-44. Where the debt, balance or other matter in dispute, or the amount really due or recoverable exceeds, exclusive of costs, the sum or value of $1,000.00, either plaintiff or defendant may recover in the division of small claims of the county district court a sum not exceeding $1,000.00, and costs, which recovery shall bar the

recovery of the residue of such debt, balance or other matter in dispute in any court whatsoever.

The plaintiff in a complaint or the defendant in the counterclaim or third-party complaint may waive the excess over $1,000.00 in order to bring the respective claim within the jurisdiction of the division of small claims of the county district court.

6. N. J. S. 2A:15–62 is amended to read as follows:

Actions cognizable before county district court; brought in Superior Court.

2A:15–62. If an action cognizable before the county district court of any county is brought in the Superior Court and the venue is laid in the county, and if the plaintiff obtains judgment for an amount not exceeding $5,000.00, exclusive of costs, he shall not be entitled to costs, unless the parties resided in different counties when the action was commenced, in which event he may be allowed costs, but not exceeding the amount allowable in the county district court.

This section shall not extend to any action in which the title to real estate may, in any way, come in question, nor to any action in which the judge before whom it is tried shall, immediately after the verdict or the finding, certify that, in his judgment, the action should have been brought in the court in which it was instituted.

7. N. J. S. 2A:18–62 is amended to read as follows:

Writ of attachment; issuance in county district court.

2A:18–62. A writ of attachment may issue out of a county district court, upon the application of any plaintiff whose claim does not exceed $5,000.00, exclusive of costs, against the personal property, located within the county, of any person, corporation or organization against whom or which a summons might issue.

All proceedings in the action shall conform as nearly as may be, to the provisions of chapter 26 of this Title.

8. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 224

AN ACT concerning the disposition of fines, costs, fees, and forfeitures of bail in intermunicipal courts and amending P. L. 1979, c. 396.

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

1. Section 3 of P. L. 1979, c. 396 (C. 2C:46–4) is amended to read as follows:

C. 2C:46-4 Fines and restitution; collection.

3. a. All fines and restitution shall be collected as follows:

(1) All fines and restitution imposed by the Superior Court or county district court, or otherwise imposed at the county level, shall be collected by the county probation department except when such fine or restitution is imposed in conjunction with a custodial sentence to a State correctional facility in which event such fine or restitution shall be collected by the Department of Corrections.

(2) All fines and restitution imposed by a municipal court shall be collected by the municipal court clerk except if such fine or restitution is ordered as a condition of probation in which event it shall be collected by the county probation department.

All fines so collected shall be distributed to the appropriate governmental treasury as provided herein.

b. Except as provided in subsection c. with respect to fines imposed on appeals following convictions in municipal courts, all fines imposed by the Superior Court, county district court, or otherwise imposed at the county level, shall be paid over by the officer entitled to collect same to:

(1) The county treasurer with respect to fines imposed on defendants who are sentenced to and serve a custodial term, including a term as a condition of probation, in the county jail, workhouse or penitentiary except where such county sentence is served concurrently with a sentence to a State institution; or

(2) The State Treasurer with respect to all other fines.

c. All fines imposed by municipal courts on defendants convicted of crimes, disorderly persons offenses and petty disorderly persons offenses, and all fines imposed following conviction on appeal therefrom, shall be paid over by the officer entitled to collect same to

the treasury of the municipality wherein the municipal court is located.

In the case of an intermunicipal court, fines shall be paid into the municipal treasury of the municipality in which the offense was committed, and costs, fees, and forfeitures of bail shall be apportioned among the several municipalities to which the court's jurisdiction extends according to the ratios of the municipalities' contributions to the total expense of maintaining the court.

2. This act shall take effect immediately.

Approved July 20, 1981.

CHAPTER 225

AN ACT providing for the purchase of optical scanners for use by the blind and visually impaired, supplementing chapter 74 of Title 18A of the New Jersey Statutes, and making an appropriation therefor.

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

C. 18A:74-4.1 Purchase of optical scanners for use by blind.

1. The Commissioner of Education after consultation with the Commission for the Blind and Visually Impaired shall purchase and provide to designated area libraries or other public facilities accessible to the blind or visually impaired that may be appropriate an optical scanner, which converts printed materials into synthetic speech for the benefit of the blind and visually impaired. The commissioner shall provide for the training of personnel in the proper use of these devices.

2. There is appropriated to the Department of Education the sum of $160,000.00 or so much thereof as is necessary, to carry out the provisions of this act.

3. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 226

AN ACT to establish certain protections for certain senior citizens and disabled persons from eviction resulting from condominium or cooperative conversions, amending P. L. 1974, c. 49 and amending and supplementing P. L. 1975, c. 311.

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

C. 2A:18-61.22 Short title.

1. (New section) This amendatory and supplementary act shall be known and may be cited as the "Senior Citizens and Disabled Protected Tenancy Act."

C. 2A:18-61.23 Legislature's findings.

2. (New section) The Legislature finds that research studies have demonstrated that the forced eviction and relocation of elderly persons from their established homes and communities harm the mental and physical health of these senior citizens, and that these disruptions in the lives of older persons affect adversely the social, economic and cultural characteristics of communities of the State, and increase the costs borne by all State citizens in providing for their public health, safety and welfare. These conditions are particularly serious in light of the rising costs of home ownership, and are of increasing concern where rental housing is converted into condominiums or cooperatives which senior citizens on fixed limited incomes cannot afford, an occurrence which is becoming more and more frequent in this State under prevailing economic circumstances. The Legislature, therefore, declares that it is in the public interest of the State to avoid the forced eviction and relocation of senior citizen tenants wherever possible, specifically in those instances where rental housing market conditions and particular financial circumstances combine to diminish the ability of senior citizens to obtain satisfactory comparable housing within their established communities, and where the eviction action is the result not of any failure of the senior citizen tenant to abide by the terms of a lease or rental agreement, but of the owner's decision advantageously to dispose of residential property through the device of conversion to a condominium or cooperative.

The Legislature further finds that it is in the public interest of the State to avoid the forced eviction and the displacement of the

handicapped wherever possible because of their limited mobility and the limited number of housing units which are suitable for their needs.

The Legislature further declares that in the service of this public interest it is appropriate that qualified senior citizen tenants and disabled tenants be accorded a period of protected tenancy, during which they shall be entitled to the fair enjoyment of the dwelling unit within the converted residential structure, to continue for such time, up to 40 years, as the conditions and circumstances which make necessary such protected tenancy shall continue.

The Legislature further finds that the promotion of this public interest is possible only if senior citizen tenants and disabled tenants are protected during this period from alterations in the terms of the tenancy or rent increases which are the result solely of an owner's decision to convert.

C. 2A:18-61.24 Definitions.

3. (New section) As used in this amendatory and supplementary act:

a. "Senior citizen tenant" means a person who is at least 62 years of age on the date of the conversion recording for the building or structure in which is located the dwelling unit of which he is a tenant, or the surviving spouse of such a person if the person should die after the owner files the conversion recording; provided that the building or structure has been the principal residence of the senior citizen tenant or the spouse for the 2 years immediately preceding the conversion recording or the death, as the case may be;

b. "Disabled tenant" means a person who is, on the date of the conversion recording for the building or structure in which is located the dwelling unit of which he is a tenant, totally and permanently unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, including blindness; provided that the building or structure has been the principal residence of the disabled tenant for the 2 years immediately preceding the conversion recording. For purposes of this subsection, "blindness" means central visual acuity of 20/200 or less in the better eye with the use of correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less;

c. "Tenant's annual household income" means the total income from all sources during the last full calendar year for all members

of the household who reside in the dwelling unit at the time the tenant applies for protected tenant status, whether or not such income is subject to taxation by any taxing authority;

d. "Application for registration of conversion" means an application for registration filed with the Department of Community Affairs in accordance with "The Planned Real Estate Development Full Disclosure Act," P. L. 1977, c. 419 (C. 45:22A–21 et seq.);

e. "Registration of conversion" means an approval of an application for registration by the Department of Community Affairs in accordance with "The Planned Real Estate Development Full Disclosure Act," P. L. 1977, c. 419 (C. 45:22A–21 et seq.);

f. "Convert" means to convert one or more buildings or structures containing in the aggregate not less than 5 dwelling units from residential rental use to condominium, cooperative, planned residential development or separable fee simple ownership of the dwelling units;

g. "Conversion recording" means the recording with the appropriate county officer of a master deed for condominium or a deed to a cooperative corporation for a cooperative or the first deed of sale to a purchaser of an individual unit for a planned residential development or separable fee simple ownership of the dwelling units;

h. "Protected tenancy period" means, except as otherwise provided in section 11 of this amendatory and supplementary act, the 40 years following the conversion recording for the building or structure in which is located the dwelling unit of the senior citizen tenant or disabled tenant.

C. 2A:18-61.25 Protected tenancy status.

4. (New section) Each eligible senior citizen tenant or disabled tenant shall be granted a protected tenancy status with respect to his dwelling unit whenever the building or structure in which that unit is located shall be converted. The protected tenancy status shall be granted upon proper application and qualification pursuant to the provisions of this amendatory and supplementary act.

C. 2A:18-61.26 Administrative agency.

5. (New section) The governing body of the municipality may authorize a municipal board, agency or officer to act as its administrative agency for the purposes of this amendatory and supplementary act or may enter into a contractual agreement with a county office on aging or a similar agency to act as its administrative agency for purposes of this amendatory and supplementary act.

In the absence of such authorization or contractual agreement, this amendatory and supplementary act shall be administered by a municipal board whose principal responsibility concerns the regulation of residential rents or, if no such board exists, by the municipal clerk.

C. 2A:18-61.27 Notice; form; content.

6. (New section) The owner of any building or structure who, after the effective date of this amendatory and supplementary act, seeks to convert any premises, shall, prior to his filing of the application for registration of conversion with the Department of Community Affairs, notify the administrative agency or officer responsible for administering this amendatory and supplementary act of his intention to so file. The owner shall supply the agency or officer with a list of every tenant residing in the premises, with stamped envelopes addressed to each tenant and with sufficient copies of the notice to tenants and application form for protected tenancy status. Within 10 days thereafter, the administrative agency or officer shall notify each residential tenant in writing of the owner's intention and of the applicability of the provisions of this amendatory and supplementary act and shall provide him with a written application form. The agency's or officer's notice shall be substantially in the following form:

"NOTICE

THE OWNER OF YOUR APARTMENT HAS NOTIFIED ..... OF HIS
(insert name of municipality)
INTENTION TO CONVERT TO A CONDOMINIUM OR COOPERATIVE. THE LEGISLATURE HAS PROVIDED THAT, IF YOU ARE A SENIOR CITIZEN, 62 YEARS OF AGE OR OLDER, OR DISABLED, YOU MAY BE ENTITLED TO A PROTECTED TENANCY PERIOD. PROTECTED TENANCY MEANS THAT YOU CANNOT BE EVICTED BECAUSE OF THE CONVERSION. YOU MAY BE ELIGIBLE:

(1) IF YOU ARE 62, OR WILL SOON BE 62, OR IF YOU ARE DISABLED; AND

(2) IF YOU HAVE LIVED IN YOUR APARTMENT FOR TWO YEARS; AND

(3) IF YOUR HOUSEHOLD INCOME IS LESS THAN .....

(insert current income figure for county as established by section 7c of this amendatory and supplementary act)

IF YOU WISH THIS PROTECTION, SEND IN THE APPLICATION FORM BY .....

(insert date 60 days after municipality's mailing)

TO THE .....

(insert name and address of administrative agency)

FOR FURTHER INFORMATION CALL .....

(insert phone number of administrative agency)

OR .....

(insert phone number of Department of Community Affairs)

IF YOU DO NOT APPLY YOU CAN BE EVICTED BY YOUR LANDLORD UPON PROPER NOTICE."

The Department of Community Affairs shall not accept any application for registration of conversion for any building or structure unless included in the application is proof that the agency or officer notified the tenants prior to the application for registration. The proof shall be by affidavit or in such other form as the department shall require.

C. 2A:18-61.28 Determination of eligibility.

7. (New section) Within 30 days after receipt of an application for protected tenancy status by a tenant, the administrative agency or officer shall make a determination of eligibility. It shall send written notice of eligibility to each senior citizen tenant or disabled tenant who:

a. Applied therefor on or before the date of registration of conversion by the Department of Community Affairs; and,

b. Qualifies as an eligible senior citizen tenant or disabled tenant pursuant to this amendatory and supplementary act; and,

c. Has an annual household income that does not exceed an amount equal to three times the County per capita personal income,

as last reported by the Department of Labor and Industry on the basis of the U. S. Department of Commerce's Bureau of Economic Analysis data; and,

d. Has occupied the premises as his principal residence for the past 2 years.

The administrative agency or officer shall likewise send a notice of denial with reasons to any tenant whom it determines to be ineligible. The owner shall be notified of those tenants who are determined to be eligible and ineligible.

The administrative agency or officer may require that the application include such documents and information as may be necessary to establish that the tenant is eligible for a protected tenancy status under the provisions of this amendatory and supplementary act and shall require such application to be submitted under oath. The Department of Community Affairs may by regulation adopt forms for application for protected tenancy status and notification of eligibility or ineligibility or adopt such other regulations for the procedure of determining eligibility as it determines are necessary.

C. 2A:18-61.29 Approval of registration of conversion.

8. (New section) No registration of conversion shall be approved until the Department of Community Affairs receives proof that the administrative agency or officer has made determinations and notified all tenants who applied for protected tenancy status within the initial 60-day period of their eligibility or lack of eligibility. The proof shall be by affidavit or in such other form as the department may require.

The department may grant registrations of conversion for applications pending on the effective date of this amendatory and supplementary act upon the implementation of a procedure whereby any eligible tenant may make application for protected tenancy status in a manner comparable to that specified in sections 6 and 7 of this amendatory and supplementary act.

C. 2A:18-61.30 Conversion recording.

9. (New section) Protected tenancy status shall not be applicable to any eligible tenant until such time as the owner has filed his conversion recording. The protected tenancy status shall automatically apply as soon as a tenant receives notice of eligibility and the landlord files his conversion recording. The conversion recording shall not be filed until after the registration of conversion.

C. 2A:18-61.31 Municipalities with or without rent control; procedure for rent increase.

10. (New section) In a municipality which does not have a rent control ordinance in effect, no evidence of increased costs which are solely the result of the conversion, including but not limited to any increase in financing or carrying costs, and which do not add services or amenities not previously provided shall be used as a basis to establish the reasonableness of a rent increase under section 2 f. of P. L. 1974, c. 49 (C. 2A:18–61.1).

In a municipality which has a rent control ordinance in effect, a rent increase for a tenant with a protected tenancy status, or for any tenant to whom notice of termination pursuant to section 3 g. of P. L. 1974, c. 49 (C. 2A:18–61.2) has been given, shall not exceed the increase authorized by the ordinance for rent controlled units. Increased costs which are solely the result of a conversion, including but not limited to any increase in financing or carrying costs, and which do not add services or amenities not previously provided shall not be used as a basis for an increase in a fair return or hardship hearing before a municipal rent board or on any appeal from such determination.

C. 2A:18-61.32 Termination of protected tenancy status; grounds.

11. (New section) The administrative agency or officer shall terminate the protected tenancy status immediately upon finding that:

a. The dwelling unit is no longer the principal residence of the senior citizen tenant or disabled tenant; or

b. The tenant's annual household income, or the average of the tenant's annual household income for the current year, computed on an annual basis, and the tenant's annual household income for the 2 preceding years, whichever is less, exceeds an amount equal to three times the county per capita personal income as last reported by the Department of Labor and Industry on the basis of the U. S. Department of Commerce's Bureau of Economic Analysis data.

Upon the termination of the protected tenancy status by the administrative agency or officer, the senior citizen tenant or disabled tenant may be removed from the dwelling unit pursuant to P. L. 1974, c. 49 (C. 2A:18–61.1 et seq.), except that all notice and other times set forth therein shall be calculated and extend from the date of the expiration or termination of the protected tenancy period, or the date of the expiration of the last lease entered into

with the senior citizen tenant or disabled tenant during the protected tenancy period, whichever shall be later.

C. 2A:18-61.33 Purchase of dwelling unit by tenant.

12. (New section) In the event that a senior citizen tenant or disabled tenant purchases the dwelling unit he occupies, the protected tenancy status shall terminate immediately upon purchase.

13. Section 2 of P. L. 1974, c. 49 (C. 2A:18–61.1) is amended to read as follows:

C. 2A:18-61.1 Residential lessees and tenants; grounds for removal.

2. No lessee or tenant or the assigns, under-tenants or legal representatives of such lessee or tenant may be removed by the county district court or the Superior Court from any house, building, mobile home or land in a mobile home park or tenement leased for residential purposes, other than owner-occupied premises with not more than two rental units or a hotel, motel or other guest house or part thereof rented to a transient guest or seasonal tenant, except upon establishment of one of the following grounds as good cause:

a. The person fails to pay rent due and owing under the lease whether the same be oral or written;

b. The person has continued to be, after written notice to cease, so disorderly as to destroy the peace and quiet of the occupants or other tenants living in said house or neighborhood;

c. The person has willfully or by reason of gross negligence caused or allowed destruction, damage or injury to the premises;

d. The person has continued, after written notice to cease, to substantially violate or breach any of the landlord's rules and regulations governing said premises, provided such rules and regulations are reasonable and have been accepted in writing by the tenant or made a part of the lease at the beginning of the lease term;

e. The person has continued, after written notice to cease, to substantially violate or breach any of the covenants or agreements contained in the lease for the premises where a right of reentry is reserved to the landlord in the lease for a violation of such covenant or agreement, provided that such covenant or agreement is reasonable and was contained in the lease at the beginning of the lease term;

f. The person has failed to pay rent after a valid notice to quit and notice of increase of said rent, provided the increase in rent is not unconscionable and complies with any and all other laws or municipal ordinances governing rent increases;

g. The landlord or owner (1) seeks to permanently board up or demolish the premises because he has been cited by local or State housing inspectors for substantial violations affecting the health and safety of tenants and it is economically unfeasible for the owner to eliminate the violations; (2) seeks to comply with local or State housing inspectors who have cited him for substantial violations affecting the health and safety of tenants and it is unfeasible to so comply without removing the tenant; simultaneously with service of notice of eviction pursuant to this clause, the landlord shall notify the Department of Community Affairs of the intention to institute proceedings and shall provide the department with such other information as it may require pursuant to rules and regulations. The department shall inform all parties and the court of its view with respect to the feasibility of compliance without removal of the tenant and may in its discretion appear and present evidence; (3) seeks to correct an illegal occupancy because he has been cited by local or State housing inspectors and it is unfeasible to correct such illegal occupancy without removing the tenant; or (4) is a governmental agency which seeks to permanently retire the premises from the rental market pursuant to a redevelopment or land clearance plan in a blighted area. In those cases where the tenant is being removed for any reason specified in this subsection, no warrant for possession shall be issued until P. L. 1967, c. 79 (C. 52:31B–1 et seq.) and P. L. 1971, c. 362 (C. 20:4–1 et seq.) have been complied with;

h. The owner seeks to retire permanently the residential building or the mobile home park from residential use or use as a mobile home park, provided this paragraph shall not apply to circumstances covered under paragraph g. of this section;

i. The landlord or owner proposes, at the termination of a lease, reasonable changes of substance in the terms and conditions of the lease, including specifically any change in the term thereof, which the tenant, after written notice, refuses to accept; provided that in cases where a tenant has received a notice of termination pursuant to section 3 g. of P. L. 1974, c. 49 (C. 2A:18–61.2), or has a protected tenancy status pursuant to section 9 of the "Senior Citizens and Disabled Protected Tenancy Act," P. L. 1981, c. 226 (C. 2A:18–61.22 et al.), the landlord or owner shall have the burden of proving that any change in the terms and conditions of the lease, rental or regulations both is reasonable and does not substantially reduce the rights and privileges to which the tenant was entitled prior to the conversion;

j. The person, after written notice to cease, has habitually and without legal justification failed to pay rent which is due and owing;

k. The landlord or owner of the building or mobile home park is converting from the rental market to a condominium, cooperative or fee simple ownership of two or more dwelling units or park sites, except as hereinafter provided in subsection l. Where the tenant is being removed pursuant to this subsection, no warrant for possession shall be issued until this act has been complied with. No action for possession shall be brought pursuant to this subsection against a senior citizen tenant or disabled tenant with protected tenancy status pursuant to the "Senior Citizens and Disabled Protected Tenancy Act, " P. L. 1981, c. 226 (C. 2A:18–61.22 et al.), as long as the agency has not terminated the protected tenancy status or the protected tenancy period has not expired;

l. (1) The owner of a building or mobile home park, which is constructed as or being converted to a condominium, cooperative or fee simple ownership, seeks to evict a tenant or sublessee whose initial tenancy began after the master deed, agreement establishing the cooperative or subdivision plat was recorded, because the owner has contracted to sell the unit to a buyer who seeks to personally occupy it and the contract for sale calls for the unit to be vacant at the time of closing. However, no action shall be brought against a tenant under paragraph (1) of this subsection unless the tenant was given a statement in accordance with section 6 of this amendatory act;

(2) The owner of three or less condominium or cooperative units seeks to evict a tenant whose initial tenancy began by rental from an owner of three or less units after the master deed or agreement establishing the cooperative was recorded, because the owner seeks to personally occupy the unit, or has contracted to sell the unit to a buyer who seeks to personally occupy it and the contract for sale calls for the unit to be vacant at the time of closing;

(3) The owner of a building of three residential units or less seeks to personally occupy a unit, or has contracted to sell the residential unit to a buyer who wishes to personally occupy it and the contract for sale calls for the unit to be vacant at the time of closing;

m. The landlord or owner conditioned the tenancy upon and in consideration for the tenant's employment by the landlord or owner as superintendent, janitor or in some other capacity and such employment is being terminated.

14. Section 8 of P. L. 1975, c. 311 (C. 2A:18–61.11) is amended to read as follows:

C. 2A:18-61.11 Offer of rental of comparable housing; stay of eviction; hardship relocation compensation.

8. a. Tenants receiving notice under section 3 g. of P. L. 1974, c. 49 may request of the landlord within 18 full months after receipt of such notice, and the landlord shall offer to the tenant, personally or through an agent, the rental of comparable housing or park site and a reasonable opportunity to examine and rent such comparable housing or park site. In any proceeding under subsection 2 k. of P. L. 1974, c. 49 instituted following the expiration of notice required under section 3 g. of P. L. 1974, c. 49, the owner shall prove that a tenant was offered such comparable housing or park site and provided such reasonable opportunity to examine and rent such housing or park site as requested pursuant to this section. The court shall authorize 1-year stays of eviction with reasonable rent increases until such time as the court is satisfied that the tenant has been offered comparable housing or park site and provided a reasonable opportunity to examine and rent such housing or park site as requested pursuant to this section. However, in no case shall more than five such stays be granted.

b. The court shall automatically renew any 1-year stay of eviction in any case where the landlord failed to allege to the court within 1 year of a prior stay that the tenant was offered a reasonable opportunity to examine and rent comparable housing or park site within such prior year.

c. However the court shall not authorize any further stays at any time after one such stay has been authorized when the owner has also provided a tenant with hardship relocation compensation of waiver of payment of 5 months' rent.

d. On or after the effective date of the "Senior Citizens and Disabled Protected Tenancy Act," P. L. 1981, c. 226 (C. 2A:18–61.22 et al.), notwithstanding the provisions of subsection a. of this section, where the court has jurisdiction pursuant to that subsection, whether by virtue of the authorization by the court of a stay of eviction or by virtue of any other proceedings required or instituted pursuant to P. L. 1974, c. 49 (C. 2A:18–61.1 et seq.) or P. L. 1975, c. 311 (C. 2A:18–61.6 et seq.), or in any action for declaratory judgment, the court may invoke some or all of the provisions of the "Senior Citizens and Disabled Protected Tenancy Act" and grant to a tenant, pursuant to that amendatory and supplementary act, a protected tenancy period upon the court's determination that:

(1) The tenant would otherwise qualify as a senior citizen tenant or disabled tenant pursuant to that amendatory and supplementary act, except that the building or structure in which the dwelling unit is located was converted prior to the effective date of that amendatory and supplementary act; and

(2) The granting of the protected tenancy period as applied to the tenant, giving particular consideration to whether a unit was sold on or before the date that the amendatory and supplementary act takes effect to a bona fide individual purchaser who intended personally to occupy the unit, would not be violative of concepts of fundamental fairness or due process. Where a court declines to grant a protected tenancy status, it shall nevertheless order such hardship stays as authorized by subsections a. and b. of this section until comparable relocation housing is provided. The hardship relocation compensation alternative of subsection c. of this section shall not be applicable in this situation.

C. 2A:18-61.34 Information to prospective purchaser.

15. (New section) Any public offering statement for a conversion as required by "The Planned Real Estate Development Full Disclosure Act," P. L. 1977, c. 419 (C. 45:22A–21 et seq.), shall clearly inform the prospective purchaser of the provisions of this amendatory and supplementary act, including, but not limited to, the provisions concerning eviction, rent increases and leases. Any contract or agreement for sale of a converted unit shall contain a clause in 10-point bold type or larger that the contract is subject to the terms of this amendatory and supplementary act concerning eviction and rent increases and an acknowledgement that the purchaser has been informed of these terms.

C. 2A:18-61.35 Fee.

16. (New section) A municipality is authorized to charge an owner a fee which may vary according to the size of the building to cover the cost of providing the services required by this amendatory and supplementary act.

C. 2A:18-61.36 Waivers or modifications void, unenforceable.

17. (New section) Except as otherwise provided in this section, any provision in a lease or other agreement which waives or modifies any provision of this amendatory and supplementary act shall be void and unenforceable as against public policy. An owner and a tenant may, however, agree to a modification or waiver of some or all of the protections afforded to the tenant pursuant to the

provisions of this amendatory and supplementary act provided that:

a. The modification or waiver is encompassed in written contract separate from the lease;

b. The modification or waiver is voluntarily entered into without duress;

c. The modification or waiver is entered into with full understanding of the terms by each party;

d. The modification or waiver is for adequate consideration; and,

e. The tenant's signature on the modification or waiver is affixed and notarized after the tenant moves into the apartment.

In any action involving a modification or waiver, the owner shall have the burden of proof to establish that the requirements of this section have been met.

C. 2A:18-61.37 Partial invalidity.

18. (New section) If any section, subsection, paragraph, sentence or other part of this amendatory and supplementary act is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this act, but shall be confined in its effect to the section, subsection, paragraph, sentence or other part of this act directly involved in the controversy in which said judgment shall have been rendered.

C. 2A:18-61.38 Rules and regulations.

19. (New section) The Department of Community Affairs is authorized to adopt such rules and regulations as may be necessary to implement the provisions of this amendatory and supplementary act.

C. 2A:18-61.39 Act to be liberally construed.

20. (New section) This amendatory and supplementary act shall be liberally construed to effectuate the purposes thereof.

21. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 227

AN ACT to amend "An Act concerning municipal adult school crossing guards and supplementing Title 40A of the New Jersey Statutes," approved April 26, 1979 (P. L. 1979, c. 82).

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

1. Section 1 of P. L. 1979, c. 82 (C. 40A:9–154.1) is amended to read as follows:

C. 40A:9-154.1 Adult school crossing guards; qualifications.

1. The governing body, or the chief executive, or the chief administrative officer, as appropriate to the form of government of any municipality, may appoint adult school crossing guards for terms not exceeding 1 year and revoke such appointments for cause and after proper hearing before the chief of police or other chief law enforcement officer of the municipality. No person shall be appointed as an adult school crossing guard unless he:

a. Is a citizen of this State;

b. Is sound in body and of good health;

c. Is of good moral character; and

d. Has not been convicted of any criminal offense involving moral turpitude.

An adult school crossing guard shall not be a member of the police department or force of the municipality and his powers and duties shall cease at the expiration of the term for which he was appointed. He shall not have the right to bear firearms or the power of arrest.

Every adult school crossing guard shall be under the supervision and direction of the chief of police or other chief law enforcement officer of the municipality wherein he is appointed and shall perform his duties only in such municipality. He shall comply with the rules and regulations applicable to the conduct and decorum of the regular police officers of the municipality. Before any adult school crossing guard is appointed the chief of police shall ascertain the eligibility of the applicant and make a report to the governing body, or the chief executive or chief administrative officer, as the case may be.

2. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 228

AN ACT to amend "An act concerning the recording of deeds and other instruments and supplementing chapter 15 of Title 46 of the Revised Statutes," approved February 21, 1969 (P. L. 1968, c. 458).

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

1. Section 1 of P. L. 1968, c. 458 (C. 46:15–13) is amended to read as follows:

C. 46:15-13 Preparer's name required.

1. No deed or instrument of the nature or description set forth in section 46:16–1 of the Revised Statutes shall be recorded in the office of any county recording officer unless it shall contain the words "prepared by" followed by the name and signature of the person who prepared or drafted the instrument or another member of his firm or association. Such words and the name and signature of the person who prepared or drafted the instrument or member of his firm or association shall be entered on the instrument backer or following the acknowledgment or the proof and certification of the execution thereof.

2. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 229

AN ACT concerning highway safety and supplementing chapter 4 of Title 39 of the Revised Statutes.

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

C. 39:4-94.2 Highways, roads, streets closed to traffic.

1. Whenever by order of the Commissioner of the Department of Transportation, a State highway, or by resolution of a county governing body, a county public road, or by appropriate action of

the governing body of a municipality, a municipal street or road is declared closed to traffic for any lawful purpose, and a notice of the closing has been posted at the beginning and ending points of the closed section of the highway, road, or street, and a barricade erected at those points, any person who without the permission of the commissioner or governing body of the county, or municipality, as the case may be:

a. Mutilates or removes the notice, or damages, destroys or removes any warning sign or signal, or removes the barricade placed or posted by the commissioner or county or municipal governing body, at any point along the highway, road or street in connection with or relating to the closed portion thereof; or

b. Drives a vehicle over or upon the closed section of the highway, road or street which he knows or should have reason to know has been closed to traffic; or

c. Violates any rule or regulation for the use of the highway, road or street duly made by the commissioner or county or municipal governing body, as authorized by law, he shall be subject to a fine of not more than $100.00.

2. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 230

AN ACT concerning the sale of motor fuels, and amending and supplementing P. L. 1938, c. 163 and amending P. L. 1952, c. 258.

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

1. Section 201 of P. L. 1938, c. 163 (C. 56:6–2) is amended to read as follows:

C. 56:6-2 Motor fuel price signs; minimum price; no rebates or games of chance; brand name or trade mark.

201. (a) Every retail dealer shall publicly display and maintain, in the manner regulated by the Director of the Division of Taxation, a sign stating the price per gallon if sold by the gallon, and per gallon and per liter if sold by the liter of the motor fuel sold by said dealer. All taxes, State and federal, imposed with respect to

the manufacture or sale of motor fuel shall be included in the price shown on said sign, but said sign shall contain a statement of the amount of taxes included in said price, or, without specifying the amount thereof, said sign shall state that taxes are included in said price. A retail dealer shall not sell at any other price than the price, including tax, so posted. Any such price when posted shall remain posted and in effect for a period of not less than twenty-four (24) hours.

(b) No retail dealer shall sell motor fuel at a price which is below the net cost of such motor fuel to the retail dealer plus all selling expenses.

(c) No other price signs of motor fuel so dispensed, or signs relating to the price of such fuel shall be used or displayed on or about the premises where motor fuel is sold at retail, other than the signs provided by section 3 of P. L. 1952, c. 258 (C. 56:6–2.3).

(d) No advertising or sign other than that provided for in section 3 of P. L. 1952, c. 258 (C. 56:6–2.3), which directly or indirectly contains a statement of, or an implied reference to the price of motor fuel shall be displayed at any place where motor fuel is dispensed at retail. Any advertising of the retail price of motor fuel through any other medium which contains a reference to the per gallon or per liter price thereof, shall include all taxes in the price stated, and there shall be included in such advertising a statement that such price includes taxes, or a statement of the amount of taxes which are included in such price. Such advertising shall be identified by the name of the product, and the letters of the name shall be not less than one-half the size of the figures used in the price.

(e) No rebates, allowances, concessions or benefits shall be given, directly or indirectly, so as to permit any person to obtain motor fuels from a retail dealer below the posted price or at a net price lower than the posted price applicable at the time of the sale.

(f) It shall be unlawful for any retail dealer to use lotteries, prizes, wheels of fortune, punchboards or other games of chance, in connection with the sale of motor fuels.

(g) All above-ground equipment for storing or dispensing motor fuel operated by a retail dealer shall bear, in a conspicuous place, the name or trade-mark of the product stored therein or dispensed therefrom, and no retail dealer shall permit delivery into underground or above-ground containers, tanks or equipment of any motor fuel other than the brand represented or designated by the name or trade-mark appearing on such container or dispensing

equipment attached thereto. No retail dealer shall be a party to the substitution of one grade of motor fuel for another.

(h) If the motor fuel stored in or dispensed from any above-ground equipment by a retail dealer shall not have a brand name or trade-mark, such container or dispensing equipment shall have conspicuously displayed thereon the words "No Brand."

2. Section 301 of P. L. 1938, c. 163 (C. 56:6–3) is amended to read as follows:

C. 56:6-3 Violation of act; penalty.

301. Every retail dealer who shall fail to post and publicly display, in the manner herein required, a sign stating the price per gallon, or per gallon and per liter, of all motor fuel sold by said retail dealer, or who shall sell motor fuel at a price other than the per gallon or per liter price, as provided in article II hereof, or who shall violate any other provisions of article II of this act, shall, upon conviction, be subject to a penalty of not less than fifty dollars ($50.00) nor more than two hundred dollars ($200.00) for each such offense, and his license shall be suspended for a period of not less than five (5) days nor more than thirty (30) days, and in default of the payment of such penalty shall be imprisoned for a period not to exceed 30 days. If there shall be a conviction upon a second or subsequent offense, the license of the convicted retail dealer, issued under the provisions and procedure in chapter thirty-nine of Title 54 of the Revised Statutes, shall be revoked by the Director of the Division of Taxation.

3. Section 2 of P. L. 1952, c. 258 (C. 56:6–2.2) is amended to read as follows:

C. 56:6-2.2 Display of price signs.

2. Signs under the control of the retail dealer, stating the price of motor fuel for delivery into the service tank or tanks of any vehicle propelled by an internal combustion engine, shall be displayed and maintained as provided for in section 3 of P. L. 1952, c. 258 (C. 56:6–2.3). No other sign relating to the price of motor fuel shall be used or displayed on or about the premises where the motor fuel is sold at retail or on other premises under the control of the retail dealer.

4. Section 3 of P. L. 1952, c. 258 (C. 56:6–2.3) is amended to read as follows:

C. 56:6-2.3 Arrangement for display of price signs.

3. No retail dealer shall sell or offer for sale any motor fuel without having a. attached by a suitable bracket or slot arrange-

ment in a manner regulated by the Director of the Division of Taxation to each pump or other dispensing equipment from which motor fuel is sold or offered for sale a weather-proof case of such dimensions as shall be prescribed by the director, or b. displayed by a sign or signs located on the premises and visible from any adjacent roadway in a manner and of such dimensions as shall be prescribed by the director, or c. both, as the director may prescribe, stating the price per gallon, or the price per gallon and per liter, at which motor fuel may be purchased from such pumps or other dispensing equipment. The price signs shall show the unit price per gallon, or if sold by the liter the unit price per gallon and the unit price per liter. If sold by the liter, the price per gallon shall be located on the top half of the sign and the price per liter shall be located on the bottom half of the sign on differing background colors, such colors to be designated by the director. Such unit price shall include all taxes imposed, whether State or Federal. Beneath the unit price there shall be either the statement:

"Includes ..... N. J. Tax—
(insert the tax per gallon)
..... Federal Tax," "Includes State
(insert the tax per gallon)
and Federal Taxes," "Includes N. J. and U. S. Taxes," or "Includes all Taxes."

The colors of all price signs shall be of such combination that the sign may be easily read by any person purchasing motor fuel from the pump or other dispensing equipment to which the sign is attached. Any figure or fraction used in any price computing mechanism constituting a part of a computing pump or any other dispensing equipment shall not be considered a price sign under the provisions of this section.

5. Section 4 of P. L. 1952, c. 258 (C. 56:6–2.4) is amended to read as follows:

C. 56:6-2.4 Only authorized signs.

4. No signs stating or relating to the price of motor fuel and no signs designed or calculated to cause the public to believe that they state or relate to the price of motor fuel other than the signs provided for herein, shall be posted or displayed on or about the premises where motor fuel is sold at retail and within view from any public highway or reservation.

C. 56:6-4.1 Weights and measures officers may recover penalties.

6. (New section) a. The State Superintendent of Weights and Measures or any State, county, or municipal weights and measures officer may also recover penalties for violations of P. L. 1938, c. 163 (C. 56:6–1 et seq.). The action shall be within the jurisdiction of and may be brought before any Superior Court, county district court, or municipal court in the county or municipality where the offense was committed, or where the defendant may reside, or where the defendant may be apprehended, which court is hereinafter referred to as the court, upon the filing of a complaint by a weights and measures officer, in a civil penalty action pursuant to "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.).

b. The State Superintendent or any weights and measures official shall be authorized to serve all process out of said court.

c. Any judgment recovered for a penalty under the provisions of P. L. 1938, c. 163 (C. 56:6–1 et seq.), in any municipal court or any county district court may be docketed with the Superior Court. Execution may issue in a manner similar to that for other Superior Court judgments.

d. Any habitual violations of provisions of P. L. 1938, c. 163 (C. 56:6–1 et seq.), or of any orders or rules or regulations made pursuant to said statutes may be restrained by the Superior Court in an action brought for such purpose by the Attorney General on behalf of the State Superintendent of Weights and Measures.

e. Penalties, when imposed or recovered in an action brought by a State weights and measures officer, shall be payable to the State Treasurer. When such action is brought by a county or municipal weights and measures officer, the penalty moneys shall be paid to the respective county or municipal treasury, as the case may be.

7. This act shall take effect on the first day of the seventh month next following enactment.

Approved July 27, 1981.

CHAPTER 231

AN ACT to amend the title of "An act designating the State souvenir of deceased veterans of the World Wars and regulating the sale thereof," approved May 18, 1938 (P. L. 1938, c. 207), as said title was amended by P. L. 1965, c. 28, so that the same shall read "An act designating the State souvenir of deceased veterans of the World Wars and military conflicts involving the Armed Forces of the United States, and regulating the sale thereof," and to amend the body of said act.

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

Title amended.

1. The title of P. L. 1938, c. 207 (C. 38:25A–1 et seq.) as said title was amended by P. L. 1965, c. 28, is amended to read as follows:

An act designating the State souvenir of deceased veterans of the World Wars and military conflicts involving the Armed Forces of the United States, and regulating the sale thereof.

2. Section 1 of P. L. 1938, c. 207 (C. 38:25A–1) is amended to read as follows:

C. 38:25A-1 Poppy recognized souvenir.

1. After the passage of this act the poppy or its replica in any material form shall be the recognized souvenir of the deceased veterans of the World Wars and military conflicts involving the Armed Forces of the United States.

3. Section 3 of P. L. 1938, c. 207 (C. 38:25A–3) is amended to read as follows:

C. 38:25A-3 Sale restricted to veterans' organizations.

3. The sale and offering for sale of such poppy or poppies as heretofore mentioned shall be restricted to veterans' organizations chartered by an Act of Congress and to their auxiliaries, where such funds are devoted exclusively for the benefit of veterans of the World Wars and other military conflicts and their families and such veterans' organizations in the State of New Jersey.

4. Section 4 of P. L. 1938, c. 207 (C. 38:25A–4) is amended to read as follows:

C. 38:25A-4 Period of restricted sale.

4. The 11-day period of such restricted sale designed to provide funds for such charitable purposes shall be the 10 days immediately preceding Memorial Day and Memorial Day, of each year.

5. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 232

AN ACT to amend "An act concerning insurance, creating the 'New Jersey Insurance Underwriting Association,' prescribing the powers, duties and functions thereof and supplementing Title 17 of the Revised Statutes," approved July 2, 1968 (P. L. 1968, c 129).

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

1. Section 5 of P. L. 1968, c. 129 (C. 17:37A–5) is amended to read as follows:

C. 17:37A-5 Board of directors; election and appointment of members.

5. The association shall be governed by a board of 21 directors, 10 of whom shall be elected annually by the members of the association, whose votes in such election shall be weighted in accordance with each member's participation in the association pursuant to section 6 of this act. One of whom shall be appointed annually by the commissioner from and among the officers of the various domestic mutual insurance companies, and one of whom shall be appointed annually by the commissioner from among the officers of the various domestic stock insurance companies. Six of whom shall be appointed annually by the commissioner from the public-at-large and who shall be individuals who are not employed by, or otherwise affiliated with, insurers, insurance agents, brokers, producers, or other entities of the insurance industry. In addition there will be three nonvoting members, one from the Independent Insurance Agents Association, one from the Professional Insurance

Agents Association, and one from the Insurance Brokers' Association, or their successor organizations, each of whom shall be delegated by their respective associations to serve annually.

Each of the six public members appointed by the commissioner shall be entitled to a per diem stipend of $100.00 for each day of board business attended, to be paid by the association. In addition, all board members, both voting and nonvoting shall be reimbursed by the association for all reasonable travel expenses incurred in connection with attendance at board meetings.

2. This act shall take effect January 1, 1981 or the date upon which the board of directors of the association is reconstituted, whichever is first.

Approved July 27, 1981.

CHAPTER 233

AN ACT authorizing the elimination of the 6% interest rate ceiling on the 1969 Water Conservation Bonds, amending and supplementing P. L. 1969, c. 127, providing for the submission of this act to the people at a general election and providing an appropriation therefor.

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

1. This act shall be known and may be cited as the "Water Conservation Bond Interest Rate Ceiling Elimination Act."

2. The Legislature finds and declares that:

a. The "Water Conservation Bond Act," P. L. 1969, c. 127, authorized the issuance in the aggregate principal amount of $271,000,000.00 of bonds of the State of New Jersey for the purposes of researching, planning, acquiring, developing, constructing and maintaining water supply and waste water treatment facilities.

b. Section 10 of P. L. 1969, c. 127, set a rate of interest ceiling of 6% per annum on all bonds issued under the act.

c. Current economic conditions, including high interest rates, make the sale of bonds at 6% per annum difficult.

d. There is a continuing need for the water supply and waste water treatment facilities authorized under the act.

e. Only $221,000,000.00 of the original $271,000,000.00 in Water Conservation Bonds have been issued.

3. Section 10 of P. L. 1969, c. 127, is amended to read as follows:

10. When the bonds are issued from time to time the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; provided, that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

4. To provide funds to meet the interest payments for bonds issued under the Water Conservation Bond Act and this amendatory and supplementary act, there is hereby appropriated in the order following:

a. Net revenues, if any, with respect to water supply facilities funded in whole or in part by the bonds;

b. Revenue derived from the collection of taxes as provided by the "Sales and Use Tax Act" (P. L. 1966, c. 30), as amended and supplemented, or so much thereof as may be required; and

c. If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available, then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which such tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which such municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General State Fund beyond

the needs of the State, sufficient to meet the principal of bonds falling due and all interest payable in the ensuing calendar year, then and in the event such issuing officials shall by resolution so find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a separate fund to be designated by him, and shall pay the principal and interest out of said fund as the same shall become due and payable, and the other sources of payment of said principal and interest provided for in this section shall not then be available, and the receipts for said year from the tax specified in subsection b. of this section shall thereon be considered and treated as part of the General State Fund, available for general purposes.

5. Should the State Treasurer, by December 31 of any year, deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for such purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In such case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. Such calculation shall be based upon the corrected assessed valuation of such county for the year preceding the year in which such tax is to be assessed, but such tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify said amount to the county board of taxation and the county treasurer of each county. The said county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

6. For the purpose of complying with the provisions of the State Constitution this act shall, at the general election to be held in the month of November, 1981 be submitted to the people. In order to inform the people of the contents of this act it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the said election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the said clerks respectively, in accordance with the

instructions of the Secretary of State, shall cause to be printed on each of the said ballots, the following:

If you approve the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "Yes."

If you disapprove the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

	Yes.	WATER CONSERVATION BOND ACT INTEREST RATE CEILING ELIMINATION Should the "Water Conservation Bond Interest Rate Ceiling Elimination Act" be approved? INTERPRETIVE STATEMENT Approval of this act will remove the 6% interest rate ceiling on the 1969 Water Conservation Bonds and facilitate the sale of those bonds which have not yet been issued.
	No.	

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in said ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The said votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of such election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at such election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

7. There is hereby appropriated the sum of $5,000.00 to the Department of State for expenses in connection with the publication of notice pursuant to section 6.

8. This section and sections 6 and 7 of this act shall take effect immediately and the remainder of the act shall take effect as and when provided in the preceding section.

Approved July 27, 1981.

CHAPTER 234

AN ACT appropriating funds from the Clean Waters Fund for a loan for the planning and construction of water supply facilities.

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

1. There is appropriated to the Department of Environmental Protection, from the Clean Waters Fund created pursuant to the "Clean Waters Bond Act of 1976," P. L. 1976, c. 92, and from the remaining amounts received or to be received as repayment of a loan made from the "Clean Waters Fund" pursuant to the provisions of P. L. 1979, c. 232, the sum of $60,000.00 for the purpose of making a loan to the township of Egg Harbor for the planning and construction of water supply facilities to serve those residential dwellings of the township of Egg Harbor with existing contaminated private wells utilized for water supply.

2. The residential dwellings eligible for water supply service by the township of Egg Harbor shall be determined by the governing body in consultation with the Department of Environmental Protection.

3. The loan shall be subject to such terms and conditions as shall be prescribed by the Commissioner of the Department of Environmental Protection to carry out the purpose of this act, provided that the entire loan shall be repaid within 20 years from the date of the making of the loan. The loan shall be repaid at a rate of 5% simple interest per annum thereon.

4. The loan may be made for any amount up to $60,000.00 not in excess of the entire cost of the planning and construction of the

water supply facilities, but shall not be applied to any costs of engineering supervision or inspection during or after the construction of the proposed water supply facilities.

5. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 235

AN ACT concerning fees for the licensing and registration of dogs and amending P. L. 1941, c. 151.

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

1. Section 2 of P. L. 1941, c. 151 (C. 4:19–15.2) is amended to read as follows:

C. 4:19-15.2 Licenses and metal registration tags for dogs.

2. Any person who shall own, keep or harbor a dog of licensing age shall in the month of January, 1942, and annually thereafter, or every third year thereafter in accordance with a 3-year dog license or renewal thereof issued under subsection b. of section 12 of this act (C. 4:19–15.12 b.), apply for and procure from the clerk of the municipality or other official designated by the governing body thereof to license dogs in the municipality in which he resides, a license and official metal registration tag for each such dog so owned, kept or harbored, and shall place upon each such dog a collar or harness with the registration tag securely fastened thereto.

2. Section 3 of P. L. 1941, c. 151 (C. 4:19–15.3) is amended to read as follows:

C. 4:19-15.3 Fees; "seeing eye" and "hearing ear" dogs.

3. The persons applying for the license and registration tag shall pay the fee fixed or authorized to be fixed in section 12 of this act, and the sum of $1.00 for a 1-year registration tag or $3.00 for a 3-year registration tag for each dog; and for each renewal, the fee for the license and for the registration tag shall be the same as for the original license and tag; and said licenses, registration tags and renewals thereof shall expire on January 31 in the year stated on the license.

Only one license and registration tag shall be required in any licensing year for any dog owned in New Jersey and such license and tag shall be accepted by all municipalities as evidence of compliance with this section.

Dogs used as guides for blind persons and commonly known as "seeing-eye" dogs, or dogs used to assist deaf persons and commonly known as "hearing ear" dogs, shall be licensed and registered as other dogs hereinabove provided for, except that the owner or keeper of such dog shall not be required to pay any fee therefor.

License forms and uniform official metal registration tags designed by the State Department of Health shall be furnished by the municipality and shall be numbered serially and shall bear the year of issuance and the name of the municipality.

3. Section 11 of P. L. 1941, c. 151 (C. 4:19–15.11) is amended to read as follows:

C. 4:19-15.11 Uses of fees collected.

11. License fees and other moneys collected or received under the provisions of sections 3, 8, 9 and 16 of this act, except registration tag fees, shall be forwarded to the treasurer of the municipality within 30 days after collection or receipt and shall be placed in a special account separate from any of the other accounts of the municipality and shall be used for the following purposes only; for collecting, keeping and disposing of dogs liable to seizure under this act or under local dog-control ordinances; for local prevention and control of rabies; for providing antirabic treatment under the direction of the local board of health for any person known or suspected to have been exposed to rabies, for payment of damage to or losses of poultry and domestic animals, except dogs and cats, caused by a dog or dogs and for administering the provisions of this act. Any unexpended balance remaining in such special account shall be retained therein until the end of the third fiscal year following and may be used for any of the purposes set forth in this section. At the end of the said third fiscal year following, and at the end of each fiscal year thereafter, there shall be transferred from such special account to the general funds of the municipality any amount then in such account which is in excess of the total amount paid into said special account during the last 2 fiscal years next preceding.

The registration tag fee for each dog shall be forwarded within 30 days after collection by the clerk or other official designated to license dogs to the State Department of Health which department

shall forward said sum to the State Treasurer who shall place all such moneys in a special account for use only by the State Department of Health in administering this act and for the prevention and control of rabies throughout the State, and such account is hereby declared to be a trust fund not subject to legislative appropriation. At the end of the third fiscal year following the adoption of this act and at the end of each fiscal year thereafter, there shall be withdrawn from this trust fund and transferred to the general funds of the State any amount then in such fund which is in excess of the total amount paid into such fund during the last 2 fiscal years next preceding.

4. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 236

AN ACT concerning special motor vehicle registration plates for former prisoners of war, and supplementing chapter 3 of Title 39 of the Revised Statutes.

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

C. 39:3-27.24 Special "P.O.W." plates; fee.

1. Upon the application of any person who served in the armed forces of the United States and who was held as a prisoner of war by an enemy of the United States during any armed conflict, as certified by the Division of Veterans Programs and Special Services, State Department of Human Services, the Director of the Division of Motor Vehicles shall issue for the motor vehicle owned by such person special plates beaing the letters "P.O.W.," in addition to the registration number and other markings or identification otherwise prescribed by law. The fee for the plates shall be $15.00, in addition to the fees otherwise prescribed by law for the registration of motor vehicles.

C. 39:3-27.25 Rules and regulations.

2. The Director of the Division of Motor Vehicles and the Director of the Division of Veterans Programs and Special Services shall promulgate and adopt rules and regulations governing the issuance and use of such registration plates.

C. 39:3-27.26 Disposition of fees.

3. The fees established hereinabove are appropriated to the Division of Motor Vehicles to fund the additional costs incurred in making the plates available.

4. This act shall take effect on the ninetieth day following enactment.

Approved July 27, 1981.

CHAPTER 237

AN ACT concerning highway rates of speed and supplementing chapter 4 of Title 39 of the Revised Statutes.

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

C. 39:4-98.2 Temporary reduction of speed limit.

1. Any county or municipal governing body may adopt an ordinance or resolution, as appropriate, designating a county or municipal official who may order a reduction of a regular speed limit for periods not to exceed 72 hours on segments of highways under its jurisdiction for the purpose of maintenance or repairs. Any resolution or ordinance adopted pursuant to this act shall specify the circumstance under which a speed limit may be reduced.

An order reducing the speed limit pursuant to this act shall not require the approval of the Commissioner of Transportation; provided, however, that it shall be the duty of the designated county or municipal official to notify the commissioner of the affected segment of highway no less than 7 days before any reduced speed limit takes effect; except that in cases of emergency situations the notification period may be waived by the commissioner. It shall be the duty of the designated county or municipal official to place one or more signs indicating the reduced speed limit along the affected highway.

Any speed limit established pursuant to this act shall be prima facie lawful and subject to the provisions of R. S. 39:4–96 and 39:4–97 when appropriate signs giving notice thereof are erected.

2. This act shall take effect immediatelv.

Approved July 27, 1981.

CHAPTER 238

AN ACT to amend the "Casino Control Act," approved June 2, 1977 (P. L. 1977, c. 110).

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

1. Section 54 of P. L. 1977, c. 110 (C. 5:12–54) is amended to read as follows:

C. 5:12-54 Organization and employees.

54. Organization and Employees. a. The commission may establish, and from time to time alter, such plan of organization as it may deem expedient, and may incur expenses within the limits of funds available to it.

b. The commission shall elect annually by a majority of the full commission one of its members, other than the chairman, to serve as vice-chairman for the ensuing year. The vice-chairman shall be empowered to carry out all of the responsibilities of the chairman as prescribed in this act during his absence, disqualification, or inability to serve.

c. The commission shall appoint an executive secretary who shall serve at its pleasure and shall be responsible for the conduct of its administrative affairs. No person shall be eligible for such appointment unless he shall have at least 5 years of responsible experience in public or business administration or possesses broad management skills. The salary of the executive secretary shall be fixed by the commission, but shall not exceed $55,000.00.

d. The commission may employ such other personnel as it deems necessary. All employees of the commission, except for secretarial and clerical personnel, shall be in the unclassified service of the Civil Service. All employees of the commission shall be deemed confidential employees for the purposes of the "New Jersey Employer-Employee Relations Act" (P. L. 1941, c. 100; C. 34:13A–1 et seq.), as amended. Notwithstanding the provisions of any other law to the contrary, the commission may employ legal counsel who shall represent the commission in any proceeding to which it is a party, and who shall render legal advice to the commission upon its request. The commission may contract for the services of other professional, technical and operational personnel and consultants

as may be necessary to the performance of its responsibilities under this act. Members and employees of the commission shall be enrolled in the Public Employees' Retirement System of New Jersey (P. L. 1954, c. 84; C. 43:15A–1 et seq.).

2. This act shall take effect immediately.

Approved July 27, 1981.

CHAPTER 239

AN ACT concerning the collection or setting off of debts owed to agencies and institutions in the State Government.

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

C. 54A:9-8.1 Satisfaction of indebtedness to State agencies.

1. Whenever any taxpayer or homeowner shall be entitled to any refund of taxes pursuant to the "New Jersey Gross Income Tax" (N. J. S. 54A:1–1 et seq.) or a homestead rebate pursuant to P. L. 1976, c. 72 (C. 54:4–3.80 et seq.), and at the same time the taxpayer or homeowner shall be indebted to any agency or institution of State Government, the Department of the Treasury may apply or cause to be applied the refund or rebate, or both, or so much of either or both as shall be necessary, to satisfy the indebtedness. The Department of the Treasury shall retain a percentage of the proceeds of any collection setoff as shall be necessary to provide for any expenses of the collection effort.

C. 54A:9-8.2 Regulations.

2. The Department of the Treasury shall promulgate regulations concerning the procedures and methods to be employed by all agencies and institutions in the executive branch in the collection or the setting off of delinquent accounts. The regulations shall be consistent with all Federal requirements or limitations regarding any information utilized in any collection or setoff, and shall in addition provide for due notice to the debtor and opportunity for a hearing upon request prior to any setoff; safeguards against the disclosure or inappropriate use of any personally identifiable information regarding the debtor obtained or maintained pursuant to this act; and the appropriate apportionment of any setoff in the

case of a debtor's joint filing of a joint income tax return or homestead rebate application.

C. 54A:9-8.3 Disposition of sums.

3. Any sums collected by the Department of the Treasury on behalf of State agencies or institutions during the fiscal year in which this act takes effect are appropriated for the expense of the collection effort.

4. This act shall take effect immediately but no setoff shall be made until the first day of the sixth calendar month next following enactment.

Approved July 27, 1981.

CHAPTER 240

AN ACT concerning motor vehicles and supplementing chapter 3 of Title 39 of the Revised Statutes.

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

C. 39:3-27.27 Special license plates for "street rods"; fee; violation of act; penalty.

1. a. The owner of a modified antique automobile manufactured before 1949, referred to as a "street rod," which is registered in this State, may apply to the Director of the Division of Motor Vehicles for a special license plate to be displayed in place of the standard license plate.

The special plate shall be issued upon proof that the street rod is registered in a New Jersey street rod club which is fully affiliated with the National Street Rod Association, Inc. The plate shall be issued for the applicant's use only for the registered vehicle and upon a transfer of title he shall surrender the plate to the director.

b. The special plate shall bear the words "street rod" and shall be of a design approved by the director. The fee for the plate shall be $15.00 in addition to the fees otherwise prescribed by law for the registration of the motor vehicle.

c. A person issued the special plate, in addition to the prescribed inspection sticker, shall display a valid National Street Rod Association safety inspection sticker on the vehicle.

d. The fine for violating this act is not less than $25.00 nor more than $50.00.

C. 39:3-27.28 Disposition of fees collected.

2. All fees collected as provided for herein are hereby appropriated to the Division of Motor Vehicles to fund the additional costs incurred in making such plates available.

3. This act shall take effect 180 days next following enactment.

Approved August 3, 1981.

CHAPTER 241

AN ACT increasing the service retirement pensions of certain members of the Consolidated Police and Firemen's Pension Fund and amending R. S. 43:16–1 and R. S. 43:16–5.

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

1. R. S. 43:16–1 is amended to read as follows:

Pension equal to 60% of salary.

43:16–1. In all municipalities any active member of a police department or of a paid or part-paid fire department or of a county police department including active members of the paid or part-paid fire department of any fire district located in any township which has adopted the provisions of an act entitled "An act providing for the retirement of policemen and firemen of the police and fire departments in municipalities of this State, including all police officers having supervision or regulation of traffic upon county roads, and providing a pension for such retired policemen and firemen and members of the police and fire departments, and the widows, children and sole dependent parents of deceased members of said department," approved April 15, 1920 (P. L. 1920, c. 160) or of chapter 16 of Title 43 of the Revised Statutes, who shall have served honorably in the police or fire department for a period of 25 years, or any employee member of any such department who shall have served honorably in such department for a period of 25 years and who has reached the age of 60 years shall, on his own application, be retired on a service retirement pension equal to 60% of his average salary. Any active member of the police or

paid or part-paid fire department including active members of the paid or part-paid fire department of any fire district as aforesaid who shall have served honorably for a period of 25 years and reached the age of 65 years and any employee member of any such department who shall have served honorably in such department for a period of 25 years and reached the age of 70 years shall be retired on a service retirement pension equal to 60% of his average salary.

The amount of the service retirement pension of any member of such police or paid or part-paid fire department, who has served for more than 25 years and who retires after the effective date of this 1981 amendatory act, shall be increased by an amount equal to 1% of his average salary for each year of service in excess of 25 years but not more than 30 years and 1% of his average salary for each year of service in excess of 30 years rendered prior to his reaching age 65.

2. R. S. 43:16–5 is amended to read as follows:

Consolidation of certain pension funds; contributions.

43:16–5. For the purpose of paying the pensions provided by this chapter, all pension funds heretofore created and in existence pursuant to the provisions of an act entitled "An act providing for the retirement of policemen and firemen of the police and fire departments in municipalities of this State, including all police officers having supervision of regulation of traffic upon county roads, and providing a pension for such retired policemen and firemen and members of the police and fire departments, and the widows, children and sole dependent parents of deceased members of said departments," approved April 15, 1920 (P. L. 1920, c. 160), and chapter 16 of Title 43 of the Revised Statutes, shall, from and after July 1, 1953, be consolidated, and, as so consolidated, shall be transferred to and placed under the Consolidated Police and Firemen's Pension Fund created by the provisions of this chapter. All rights and privileges created and extended to members of a municipal police department or of a paid or part-paid fire department or of a county police department, including members of the paid or part-paid fire department of any fire district located in any township which has adopted said act or said chapter of the Revised Statutes are hereby expressly preserved, continued and transferred from said pension funds to said consolidated fund. Nothing herein contained shall be deemed to affect or impair the right of any beneficiary of any of the funds so created, but all rights of such

beneficiaries which have accrued or may accrue in or against any such pension fund shall be deemed to have accrued or to accrue against the funds so consolidated. Said consolidated fund shall be maintained as follows:

(a) There shall be deducted from every payment of salary to each member, as defined in the supplement to this chapter enacted by laws of 1944, c. 253, s. 12, as amended and supplemented, and paid into said consolidated fund 7% of the amount thereof.

(b) All employers, as defined in the supplement to this chapter enacted by laws of 1944, c. 253, s. 12, as amended and supplemented, shall contribute to the said consolidated fund in the following manner and amounts:

(1) An amount equal to 6% of the total of salaries annually paid to the members of the consolidated fund under said employer's jurisdiction, which shall be known as the employer's normal contribution, and which shall be paid into said fund on July 1 of each year, commencing July 1, 1953.

(2) An additional amount annually for a period of 30 years, commencing July 1, 1953, equal to 66⅔% of the share of the particular employer of the annual amortization payment determined by the actuary to be required to bring the fund to a state of actuarial solvency at the end of the said 30-year period. In determining an employer's share of said annual amortization payment, the actuary shall determine separately, and give due credit to the value of the assets transferred by such employer to said consolidated fund. The amount of each of such annual payments shall be certified by the fund to the treasurer of each employer prior to the first day of the year in which such payment is required to be made, and said amount shall be appropriated in said employer's budget for that year. Said annual payment, which shall be known as the employer's accrued liability contribution, shall be made in two equal portions; the first on the first day of each year, and the second on July 1 of each year.

(3) An additional amount to be paid each year following the termination of the 30-year period provided for in subsection (b)(2) of this section, sufficient to meet the requirements of the fund.

(4) A fee, payable on July 1 of each year and consisting of such proportion of the administrative expense of the consolidated fund as the number of active and retired members under the jurisdiction of such employer, or their beneficiaries, then

bears to the total number of active and retired members and beneficiaries in the consolidated fund.

(c) The State of New Jersey shall contribute annually, throughout a period of 20 years, commencing July 1, 1972, such amount as may be necessary to make up the balance of the accrued liability of the consolidated fund. The amount of such annual contributions by the State shall be certified to the State Treasurer by the actuary at the time required for other State departmental budgetary certifications. All funds necessary to meet the State's share of said annual payments shall be included in the annual State budget and appropriated by the Legislature.

(d) If payment of the full amount of the employer's obligation is not made within 30 days of the due date established by the act, interest at the rate of 6% per annum shall commence to run against unpaid balance thereof on the first day after such thirtieth day.

If payment in full, representing the monthly transmittal and report of salary deductions, is not made within 15 days of the due date established by the pension fund, interest at the rate of 6% per annum shall commence to run against the total transmittal of salary deductions for the period on the first day after such fifteenth day.

(e) The accrued liability contribution of any employer shall be payable by the employer for the entire period of the financing of such liability and shall continue to be due and owing to the fund even when there are no longer any beneficiaries entitled to benefits.

(f) Notwithstanding any provision of chapter 16 of Title 43 of the Revised Statutes to the contrary, the Legislature shall annually appropriate and the State Treasurer shall pay into the consolidated fund an amount calculated by the actuary to provide for the additional liability required to fund the benefits provided by this amendatory act. Any saving realized by the pension fund as a result of any future increase in "regular interest" as determined annually by the State Treasurer shall be applied by the actuary towards meeting the cost of this additional liability.

3. This act shall take immediately and shall be retroactive to November 1, 1980.

Approved August 3, 1981.

CHAPTER 242

AN ACT concerning motor vehicles and amending R. S. 39:3–29.

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

1. R. S. 39:3–29 is amended to read as follows:

Driver's license, registration certificate and insurance identification card; exhibition when requested; violation of act; penalty; dismissal of charge.

39:3–29. The driver's license, the registration certificate of a motor vehicle and an insurance identification card shall be in the possession of the driver or operator at all times when he is in charge of a motor vehicle on the highways of this State.

The driver or operator shall exhibit his driver's license and an insurance identification card, and the holder of a registration certificate or the operator or driver of a motor vehicle for which a registration certificate has been issued, whether or not the holder, driver or operator is a resident of this State, shall also exhibit the registration certificate, when requested so to do by any motor vehicle inspector, police officer or magistrate, while in the performance of the duties of his office and shall write his name in the presence of the officer, so that the officer may thereby determine the identity of the licensee and at the same time determine the correctness of the registration certificate, as it relates to the registration number and number plates of the motor vehicle for which it was issued; and the correctness of the evidence of a policy of insurance, as it relates to the coverage of the motor vehicle for which it was issued.

Any person violating this section shall be subject to a fine not exceeding $100.00.

If a person, charged with a violation of this section, can exhibit his driver's license, insurance identification card and registration certificate, which were valid on the day he was charged, to the judge of the municipal court before whom he is summoned to answer to the charge, such judge may dismiss the charge. However, the judge may impose court costs.

2. This act shall take effect immediately.

Approved August 3, 1981.

CHAPTER 243

AN ACT concerning support proceedings for or against persons residing in other states, territories or possessions of the United States, and foreign jurisdictions having substantially similar or reciprocal laws, and repealing P. L. 1952, c. 197 and sections 6, 7, and 8 of P. L. 1953, c. 245.

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

C. 2A:4-30.24 Purposes.

1. Purposes. The purposes of this act are to improve and extend by reciprocal legislation the enforcement of duties of support.

C. 2A:4-30.25 Short title.

2. This act shall be known and may be cited as the "Revised Uniform Reciprocal Enforcement of Support Act (1968)."

C. 2A:4-30.26 Definitions.

3. Definitions. a. "Court" means the juvenile and domestic relations court of this State, and when the context requires, means the court of any other state as defined in a substantially similar reciprocal law.

b. "Duty of support" means a duty of support whether imposed or imposable by law or by order, decree, or judgment of any court, whether interlocutory or final or whether incidental to an action for divorce, separation, separate maintenance, or otherwise and includes the duty to pay arrearages of support past due and unpaid.

c. "Initiating state" means a state in which a proceeding pursuant to this or a substantially similar reciprocal law is commenced. "Initiating court" means the court in which a proceeding is commenced.

d. "Law" includes both common and statutory law.

e. "Obligee" means a person including a state or political subdivision to whom a duty of support is owed or a person including a state or political subdivision that has commenced a proceeding for enforcement of an alleged duty of support or for registration of a support order. It is immaterial if the person to whom a duty of support is owed is a recipient of public assistance.

f. "Obligor" means any person owing a duty of support or against whom a proceeding for the enforcement of a duty of support or registration of a support order is commenced.

g. "Prosecuting attorney" means the public official in the appropriate place who has the duty to enforce criminal laws relating to the failure to provide for the support of any person.

h. "Register" means to record in the Registry of Foreign Support Orders.

i. "Registering court" means any court of this State in which a support order of a rendering state is registered.

j. "Rendering state" means a state in which the court has issued a support order for which registration is sought or granted in the court of another state.

k. "Responding state" means a state in which any responsive proceeding pursuant to the proceeding in the initiating state is commenced. "Responding court" means the court in which the responsive proceeding is commenced.

l. "State" includes a state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any foreign jurisdiction in which this or a substantially similar reciprocal law is in effect.

m. "Support order" means any judgment, decree, or order of support in favor of an obligee whether temporary or final, or subject to modification, revocation, or remission, regardless of the kind of action or proceeding in which it is entered.

C. 2A:4-30.27 Remedies additional to those now existing.

4. Remedies additional to those now existing. The remedies herein provided are in addition to and not in substitution for any other remedies.

C. 2A:4-30.28 Extent of duties of support.

5. Extent of duties of support. Duties of support arising under the law of this State, when applicable under section 8, bind the obligor present in this State regardless of the presence or residence of the obligee.

C. 2A:4-30.29 Interstate rendition.

6. Interstate rendition. The Governor of this State may:

a. Demand of the Governor of another state the surrender of a person found in that state who is charged criminally in this State with failing to provide for the support of any person; or

b. Surrender on demand by the Governor of another state a person found in this State who is charged criminally in that state with failing to provide for the support of any person. Provisions for extradition of criminals not inconsistent with this act apply to the demand even if the person whose surrender is demanded

was not in the demanding state at the time of the commission of the crime and has not fled therefrom. The demand, the oath, and any proceedings for extradition pursuant to this section need not state or show that the person whose surrender is demanded has fled from justice or at the time of the commission of the crime was in the demanding state.

C. 2A:4-30.30 Conditions of interstate rendition.

7. Conditions of interstate rendition. a. Before making the demand upon the Governor of another state for the surrender of a person charged criminally in this State with failing to provide for the support of a person, the Governor of this State may require any prosecuting attorney of this State to satisfy him that at least 60 days prior thereto the obligee initiated proceedings for support under this act or that any proceeding would be of no avail.

b. If, under a substantially similar act, the Governor of another state makes a demand upon the Governor of this State for the surrender of a person charged criminally in that state with failure to provide for the support of a person, the Governor may require any prosecuting attorney to investigate the demand and to report to him whether proceedings for support have been initiated or would be effective. If it appears to the Governor that a proceeding would be effective but has not been initiated, he may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

c. If proceedings have been initiated and the person demanded has prevailed therein, the Governor may decline to honor the demand. If the obligee prevailed and the person demanded is subject to a support order, the Governor may decline to honor the demand if the person demanded is complying with the support order.

C. 2A:4-30.31 Choice of law.

8. Choice of law. Duties of support applicable under this act are those imposed under the laws of any state where the obligor was present for the period during which support is sought. The obligor is presumed to have been present in the responding state during the period for which support is sought until otherwise shown.

C. 2A:4-30.32 Remedies of state or political subdivision furnishing support.

9. Remedies of state or political subdivision furnishing support. If a state or a political subdivision furnishes support to an individual obligee it has the same right to initiate a proceeding under this act as the individual obligee for the purpose of securing re-

imbursement for support furnished and of obtaining continuing support.

C. 2A:4-30.33 How duties of support enforced.

10. How duties of support enforced. All duties of support, including the duty to pay arrearages, are enforceable by a proceeding under this act including a proceeding for civil contempt. The defense that the parties are immune to suit because of their relationship as husband and wife or parent and child is not available to the obligor.

C. 2A:4-30.34 Jurisdiction.

11. Jurisdiction. Jurisdiction of any proceeding under this act is vested in the juvenile and domestic relations court of any county of this State.

C. 2A:4-30.35 Contents and filing of complaint for support; venue.

12. Contents and filing of complaint for support; venue. a. The complaint shall be verified and shall state the name and, so far as known to the obligee, the address and circumstances of the obligor and the persons for whom support is sought, and all other pertinent information. The obligee may include in or attach to the complaint any information which may help in locating or identifying the obligor including a photograph of the obligor, a description of any distinguishing marks on his person, other names and aliases by which he has been or is known, the name of his employer, his fingerprints, and his Social Security number.

b. The complaint may be filed in the appropriate court of any state in which the obligee resides. The court shall not decline or refuse to accept and forward the complaint on the ground that it should be filed with some other court of this or any other state where there is pending another action for divorce, separation, annulment, dissolution, habeas corpus, adoption, or custody between the same parties or where another court has already issued a support order in some other proceeding and has retained jurisdiction for its enforcement.

C. 2A:4-30.36 Officials to represent obligee.

13. Officials to represent obligee. If this State is acting as an initiating state the county adjuster upon the request of the court shall represent the obligee in any proceeding under this act.

C. 2A:4-30.37 Complaint of a minor.

14. Complaint of a minor. A complaint on behalf of a minor obligee may be executed and filed by a person having legal custody of the minor without appointment as guardian ad litem.

C. 2A:4-30.38 Duty of initiating court.

15. Duty of initiating court. If the initiating court finds that the complaint sets forth facts from which it may be determined that the obligor owes a duty of support and that a court of the responding state may obtain jurisdiction of the obligor or his property it shall so certify and cause three copies of the complaint and its certificate and one copy of this act to be sent to the responding court. Certification shall be in accordance with the requirements of the initiating state. If the name and address of the responding court are unknown and the responding state has an information agency comparable to that established in the initiating state, it shall cause the copies to be sent to the state information agency or other proper official of the responding state, with a request that the agency or official forward them to the proper court and that the court of the responding state acknowledge their receipt to the initiating court.

C. 2A:4-30.39 Jurisdiction by arrest.

16. Jurisdiction by arrest. If the court of this State believes that the obligor may flee it may:

a. As an initating court, request in its certificate that the responding court obtain the body of the obligor by appropriate process; or

b. As a responding court, obtain the body of the obligor by appropriate process. Thereupon it may release him upon his own recognizance or upon his giving a bond in an amount set by the court to assure his appearance at the hearing.

C. 2A:4-30.40 State Information Agency.

17. State Information Agency. a. The Administrative Director of the Courts is designated as the State Information Agency under this act, and he shall:

(1) Compile a list of the courts and their addresses in this State having jurisdiction under this act and transmit it to the State Information Agency of every other state which has adopted this or a substantially similar act. Upon the adjournment of each session of the legislature the agency shall distribute copies of any amendments to the act and a statement of their effective date to all other State information agencies;

(2) Maintain a register of lists of courts received from other states and transmit copies thereof promptly to every court in this State having jurisdiction under this act; and

(3) Forward to the court in this State which has jurisdiction over the obligor or his property petitions, certificates and copies of the act it receives from courts or information agencies of other states.

b. If the State Information Agency does not know the location of the obligor or his property in the State and no State location service is available it shall use all means at its disposal to obtain this information, including the examination of official records in the State and other sources such as telephone directories, real property records, vital statistics records, police records, requests for the name and address from employers who are able or willing to cooperate, records of motor vehicle license officers, requests made to the tax offices both State and Federal where such offices are able to cooperate, and requests made to the Social Security Administration as permitted by the Social Security Act as amended.

C. 2A:4-30.41 Duty of the court and officials of this State as responding State.

18. Duty of the court and officials of this State as responding State. a. After the responding court receives copies of the complaint, certificate and act from the initiating court, it shall docket the case and notify the county adjuster of its action.

b. The county adjuster shall prosecute the case diligently. He shall take all action necessary in accordance with the laws of this State to enable the court to obtain jurisdiction over the obligor or his property and shall request the court to set a time and place for a hearing and give notice thereof to the obligor in accordance with law.

C. 2A:40-30.42 Further duties of court and officials in the responding state.

19. Further duties of court and officials in the responding state. a. The county adjuster on his own initiative shall use all means at his disposal to locate the obligor or his property, and if because of inaccuracies in the complaint or otherwise the court cannot obtain jurisdiction, the county adjuster shall inform the court of what he has done and request the court to continue the case pending receipt of more accurate information or an amended complaint from the initiating court.

b. If the obligor or his property is not found in the county, and the county adjuster discovers that the obligor or his property may be found in another county of this State or in another state he shall so inform the court. Thereupon the clerk of the court shall forward the documents received from the court in the initiating state to a court in the other county or to a court in the other state or to the information agency or other proper official of the other state with a request that the documents be forwarded to the proper court. All powers and duties provided by this act apply to the recipient of the documents so forwarded. If the clerk of a court of

this State forwards documents to another court he shall forthwith notify the initiating court.

c. If the county adjuster has no information as to the location of the obligor or his property he shall so inform the initiating court.

C. 2A:40-30.43 Hearing and continunace.

20. Hearing and continuance. If the obligee is not present at the hearing and the obligor denies owing the duty of support alleged in the complaint or offers evidence constituting a defense, the court, upon request of either party, shall continue the hearing to permit evidence relative to the duty to be adduced by either party by deposition or by appearing in person before the court. The court may designate the judge of the initiating court as a person before whom a deposition may be taken.

C. 2A:4-30.44 Evidence of husband and wife.

21. Evidence of husband and wife. Laws attaching a privilege against the disclosure of communications between husband and wife are inapplicable to proceedings under this act. Husband and wife are competent witnesses and may be compelled to testify to any relevant matter, including marriage and parentage.

C. 2A:4-30.45 Rules of evidence.

22. Rules of evidence. In any hearing for the civil enforcement of this act the court is governed by the rules of evidence applicable in a civil court action in the Superior Court. If the action is based on a support order issued by another court a certified copy of the order shall be received as evidence of the duty of support, subject only to any defenses available to an obligor with respect to paternity (section 26) or to a defendant in an action or a proceeding to enforce a foreign money judgment. The determination or enforcement of a duty of support owed to one obligee is unaffected by any interference by another obligee with rights of custody or visitation granted by a court.

C. 2A:4-30.46 Order of support.

23. Order of support. If the responding court finds a duty of support it may order the obligor to furnish support or reimbursement therefor and subject the property of the obligor to the order. Support orders made pursuant to this act shall require that payments be made to the probation department of the court of the responding state. The court and county adjuster of any county in which the obligor is present or has property have the same powers and duties to enforce the order as have those of the county

in which it was first issued. If enforcement is impossible or cannot be completed in the county in which the order was issued, the county adjuster shall send a certified copy of the order to the county adjuster of any county in which it appears that proceedings to enforce the order would be effective. Before the county adjuster transfers an order to any other county adjuster for enforcement, he shall first obtain from the court an order permitting the transfer. The county adjuster to whom the certified copy of the order is forwarded shall proceed with enforcement and report the results of the proceedings to the court first issuing the order.

C. 2A:4-30.47 Responding court to transmit copies to initiating court.

24. Responding court to transmit copies to initiating court. The responding court shall cause a copy of all support orders or orders for reimbursement thereof to be sent to the initiating court.

C. 2A:4-30.48 Additional powers of responding court.

25. Additional powers of responding court. In addition to the foregoing powers a responding court may subject the obligor to any terms and conditions proper to assure compliance with its orders and in particular to:

a. Require the obligor to furnish a cash deposit or a bond of a character and amount to assure payment of any amount due;

b. Require the obligor to report personally and to make payments at specified intervals to the probation department of the court; and

c. Punish under the power of contempt the obligor who violates any order of the court.

C. 2A:4-30.49 Paternity.

26. Paternity. If the obligor asserts as a defense that he is not the father of the child for whom support is sought and it appears to the court that the defense is not frivolous, and if both of the parties are present at the hearing or the proof required in the case indicates that the presence of either or both of the parties is not necessary, the court may adjudicate the paternity issue. Otherwise the court may adjourn the hearing until the paternity issue has been adjudicated.

C. 2A:4-30.50 Additional duties of responding court.

27. Additional duties of responding court. A responding court has the following duties which may be carried out through the probation department of the court:

a. To transmit to the initiating court any payment made by the obligor pursuant to any order of the court or otherwise; and

b. To furnish to the initiating court upon request a certified statement of all payments made by the obligor.

C. 2A:4-30.51 Additional duty of initiating court.

28. Additional duty of initiating court. An initiating court shall receive and disburse forthwith all payments made by the obligor or sent by the responding court. This duty may be carried out through the probation department of the court.

C. 2A:4-30.52 Proceedings not to be stayed.

29. Proceedings not to be stayed. A responding court shall not stay the proceeding or refuse a hearing under this act because of any pending or prior action or proceeding for divorce, separation, annulment, dissolution, habeas corpus, adoption, or custody in this or any other state. The court shall hold a hearing and may issue a support order pendente lite. In aid thereof it may require the obligor to give a bond for the prompt prosecution of the pending proceeding. If the other action or proceeding is concluded before the hearing in the instant proceeding and the judgment therein provides for the support demanded in the complaint being heard, the court must conform its support order to the amount allowed in the other action or proceeding. Thereafter the court shall not stay enforcement of its support order because of the retention of jurisdiction for enforcement purposes by the court in the other action or proceeding.

C. 2A:4-30.53 Application of payments.

30. Application of payments. A support order made by a court of this State pursuant to this act does not nullify and is not nullified by a support order made by a court of this State pursuant to any other law or by a support order made by a court of any other state pursuant to a substantially similar act or any other law, regardless of priority of issuance, unless otherwise specifically provided by the court. Amounts paid for a particular period pursuant to any support order made by the court of another state shall be credited against the amounts accruing or accrued for the same period under any support order made by the court of this State.

C. 2A:4-30.54 Effect of participation in proceeding.

31. Effect of participation in proceeding. Participation in any proceeding under this act does not confer jurisdiction upon any court over any of the parties thereto in any other proceeding.

C. 2A:4-30.55 Appeals.

32. Appeals. If the Attorney General is of the opinion that a support order is erroneous and presents a question of law warranting an appeal in the public interest, he may:

a. Perfect an appeal to the proper appellate court if the support order was issued by a court of this State, or

b. If the support order was issued in another state, cause the appeal to be taken in the other state. In either case expenses of appeal may be paid on his order from funds appropriated for his office.

C. 2A:4-30.56 Additional remedies.

33. Additional remedies. If the duty of support is based on a foreign support order, the obligee has the additional remedies provided in the following sections.

C. 2A:4-30.57 Registration.

34. Registration. The obligee may register the foreign support order in a court of this State in the manner, with the effect, and for the purposes herein provided.

C. 2A:4-30.58 Registry of foreign support orders.

35. Registry of foreign support orders. The clerk of the court shall maintain a Registry of Foreign Support Orders in which he shall record foreign support orders.

C. 2A:4-30.59 Official to represent obligee.

36. Official to represent obligee. If this State is acting either as a rendering or a registering State the county adjuster upon the request of the court shall represent the obligee in proceedings under this part.

C. 2A:4-30.60 Registration procedure; notice.

37. Registration procedure; notice. a. An obligee seeking to register a foreign order in a court of this State shall transmit to the clerk of the court (1) three certified copies of the order with all modifications thereof, (2) one copy of the reciprocal enforcement of support act of the state in which the order was made, and (3) a statement verified and signed by the obligee, showing the post office address of the obligee, the last known place of residence and post office address of the obligor, the amount of support remaining unpaid, a description and the location of any property of the obligor available upon execution, and a list of the states in which the order is registered. Upon receipt of these documents the clerk of the court, without payment of a filing fee or other cost to the obligee, shall file them in the Registry of Foreign Support Orders. The filing constitutes registration under this act.

b. Promptly upon registration the clerk of the court shall send by certified or registered mail to the obligor at the address given a notice of the registration with a copy of the registered support order and the post office address of the obligee. He shall also docket the case and notify the county adjuster of his action. The county adjuster shall proceed diligently to enforce the order.

C. 2A:4-30.61 Effect of registration; enforcement procedure.

38. Effect of registration; enforcement procedure. a. Upon registration the registered foreign support order shall be treated in the same manner as a support order issued by a court of this State. It has the same effect and is subject to the same procedures, defenses, and proceedings for reopening, vacating, or staying as a support order of this State and may be enforced and satisfied in like manner.

b. The obligor has 20 days after the mailing of notice of the registration in which to petition the court to vacate the registration or for other relief. If he does not so petition the registered support order is confirmed.

c. At the hearing to enforce the registered support order the obligor may present only matters that would be available to him as defenses in an action to enforce a foreign money judgment. If he shows to the court that an appeal from the order is pending or will be taken or that a stay of execution has been granted, the court shall stay enforcement of the order until the appeal is concluded, the time for appeal has expired, or the order is vacated, upon satisfactory proof that the obligor has furnished security for payment of the support ordered as required by the rendering state. If he shows to the court any ground upon which enforcement of a support order of this State may be stayed the court shall stay enforcement of the order for an appropriate period if the obligor furnishes the same security for payment of the support ordered that is required for a support order of this State.

C. 2A:4-30.62 Support order; docket.

39. Notwithstanding any of the provisions of this act, an obligee who has previously obtained a support order for support in the Superior Court of New Jersey shall be permitted to docket said support order in the Juvenile and Domestic Relations Court of the appropriate county, which court shall then utilize said prior support order as constituting prima facie proof that a duty for support exists in the amount reflected in said prior support order.

C. 2A:4-30.63 Uniformity of interpretation.

40. Uniformity of interpretation. This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

C. 2A:4-30.64 Severability.

41. Severability. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Repealer.

42. P. L. 1952, c. 197 (C. 2A:4–30.1 et seq.) and section 6 (C. 2A:4–30.12a), section 7 (C. 2A:4–30.23), and section 8 (C. 2A:4–30.12b) of P. L. 1953, c. 245 are repealed.

43. This act shall take effect on the one hundred eighty-first day after enactment.

Approved August 3, 1981.

CHAPTER 244

AN ACT concerning mutual insurance companies and amending R. S. 17:37–3.

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

1. R. S. 17:37–3 is amended to read as follows:

Borrowing money.

17:37–3. Borrowing money. The directors of any mutual fire insurance company of this State issuing assessable policies may borrow money to an amount not exceeding $25,000.00, for and on behalf of the company and in its name, to pay losses and expenses for which the company is liable, and may raise moneys by assessments to pay the sums so borrowed, in the same manner as they are authorized and directed to raise money to pay losses. This limit shall not apply to any mutual fire insurance company issuing non-assessable policies.

2. This act shall take effect immediately.

Approved August 3, 1981.

CHAPTER 245

AN ACT concerning the regulation of credit unions and amending P. L. 1938, c. 293.

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

1. Section 2 of P. L. 1938, c. 293 (C. 17:13–27) is amended to read as follows:

C. 17:13-27 Powers of credit unions.

2. Upon executing, recording and filing a certificate of incorporation as hereinafter provided and upon compliance with the provisions of this act and upon approval of the Commissioner of Banking as hereinafter provided, any seven or more natural persons citizens of this State, may become a credit union and shall be a corporation by the name set forth in its certificate of incorporation with the following powers:

(a) To receive the savings of its members as payments on shares, including the right to conduct Christmas accounts, vacation accounts, and other such thrift accounts within the membership;

(b) To make loans to its members for provident or productive purposes;

(c) To make loans to any other credit union operating under the provisions of this act or of the Federal Credit Union Act; provided, however, that the aggregate of all loans to other credit unions shall not exceed 25% of its share liability, and no credit union shall loan to any other credit union more than 25% of the share liability of such other credit union;

(d) To invest in or purchase any security in which savings banks of this State are authorized by law to invest, including those investments which are restricted by law to savings banks alone; and shares, certificates and accounts of savings and loan associations organized under the laws of the State of New Jersey and Federal Savings and Loan Associations, provided all such shares, certificates and accounts are insured by an agency or instrumentality of the United States Government, in an amount not to exceed the amount of the insurance; provided, that no such credit union shall invest in securities not permitted under the terms of this act; and provided, that investments, other than in loans to members, shall be made only from funds not needed for loans to members except when

the board of directors of any such cerdit union deems it advisable to invest in other securities for the purpose of maintaining the liquidity of such credit union or maintaining a proper balance in its investment portfolio;

(e) Notwithstanding the provisions of R. S. 31:1–1 or any other law to the contrary, to charge, contract for and receive interest on loans at a rate or rates agreed to by the credit union and the members; and such interest shall not be payable in advance, or compounded, and shall be computed on unpaid balances; provided, that no further or other charge or amount whatsoever for examination, service, brokerage, commission or otherwise shall be directly or indirectly charged, contracted for or received on loans, in addition to the interest herein provided for, except that lawful fees, if any, actually and necessarily paid out on any such transaction to any public officer for filing or recording or releasing in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any time thereafter, and except on actual sale of the security in foreclosure proceedings or upon entry of judgment; and attorneys' fees not to exceed 20% but with a minimum fee of $10.00, may be added to the principal amount of any loan of any such credit union resolved into judgment or placed in the hands of any attorney for collection after default thereon and such addition to the principal amount shall be collectible in any court of competent jurisdiction in addition to the court costs;

(f) To deposit its funds in national banks, banks, savings and loan associations organized under the laws of the State of New Jersey and Federal savings and loan associations, or savings banks of this State, central funds of credit unions or central credit unions organized under the laws of this State or of the Federal Government;

(g) To have and exercise all the powers of corporations organized under Title 14A of the New Jersey Statutes not inconsistent with this act;

(h) To act as the fiscal agent for the Federal Government, the State of New Jersey, or any of the subdivisions thereof;

(i) To sell to members negotiable checks, drafts, money orders and travelers checks, for a reasonable fee, and to cash checks and money orders for members, for a reasonable fee; but credit unions operating under the provisions of this act are not required to be licensed under the provisions of P. L. 1951, c. 187 (C. 17:15A–1 et seq.) and P. L. 1964, c. 273 (C. 17:15B–1 et seq.);

(j) To purchase land and building for the purpose of providing adequate facilities for the transaction of its business at a cost not to exceed 50% of the amount of its reserves, with the prior approval of the Commissioner of Banking;

(k) The Commissioner of Banking shall have the power to promulgate rules and regulations authorizing credit unions to exercise those powers and make those loans and investments now or hereafter authorized for Federal credit unions to the same extent as Federal credit unions may exercise those powers and make those loans and investments. The regulations shall be in substantial conformity with similar rules and regulations of the Federal Credit Union Administration.

2. This act shall take effect immediately.

Approved August 3, 1981.

CHAPTER 246

AN ACT concerning administrators of the New Jersey Firemen's Home and supplementing chapter 7 of Title 30 of the Revised Statutes.

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

C. 30:7-5.1 Exemption from requirement of having licensed administrator.

1. Notwithstanding the requirement in section 1 of P. L. 1968, c. 356 (C. 30:11–11) concerning licensure of a nursing home administrator, the New Jersey Firemen's Home established pursuant to R. S. 30:7–1 et seq. shall not be required to have a licensed administrator in order to operate as a nursing home.

2. This act shall take effect immediately.

Approved August 3, 1981.

CHAPTER 247

AN ACT concerning the taxation of certain companies transacting the business of insurance and amending P. L. 1945, c. 132.

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

1. Section 1 of P. L. 1945, c. 132 (C. 54:18A–1) is amended to read as follows:

C. 54:18A-1 Annual tax return; payment by companies; dates due; credit.

1. (a) Every stock, mutual and assessment insurance company organized or existing under any general or special law of this State, hereinafter referred to as "domestic insurance company," and every stock, mutual and assessment insurance company organized or existing under the laws of another state or foreign country, hereinafter referred to as "foreign insurance company," and transacting business in this State shall annually on or before March 1, file with the Director of the Division of Taxation, in the form as the director and the Commissioner of Insurance may prescribe, a return under oath or affirmation signed by a duly authorized officer or agent of the company, containing such information as may be deemed necessary and shall at the same time pay to the director an annual tax, in each calendar year, in the amount specified in sections 2 and 3 of the act to which this act is amendatory (C. 54:18A–2 and 3). At the same time, a duplicate original of the return shall be filed with the Commissioner of Insurance. The tax shall be based on net premiums on contracts of insurance covering property and risks located within this State written during the calendar year ending December 31 next preceding.

(b) Effective for calendar years ending on December 31, 1980 and thereafter, every foreign insurance company subject to the provisions of subsection (a) of this section, shall pay to the Director of the Division of Taxation on or before March 1, 1981, and on or before March 1 of each year thereafter an amount equal to one-half of the tax payable under subsection (a) hereof on the company's business done during the preceding calendar year. Every foreign insurance company subject to the provisions of subsection (a) of this section, shall pay to the Director of the Division of Taxation on or before October 1, 1981, and on or before October 1 of each year thereafter an amount equal to one-fourth of the tax

payable under subsection (a) hereof on the company's business done during the preceding calendar year. Each such payment shall be in addition to the tax payable under subsection (a) hereof and shall be considered as a partial payment of the tax which will become due under subsection (a) hereof, upon the following March 1.

(c) Effective for calendar years ending on December 31, 1981 and thereafter, every domestic insurance company shall:

(1) On March 1, 1982, pay the tax due under subsection (a) of this section based on the company's business done during the calendar year 1981 less any franchise tax paid to counties or municipalities in this State during the calendar year 1981.

(2) On March 1, 1982 make an installment payment of taxes due under subsection (a) of this section on the company's business done during the calendar year 1982, which payment shall amount to one-half of the prior year's premium tax without deduction for any franchise tax paid to counties or municipalities of this State.

(3) On June 1, 1982 and each June 1 thereafter, make a second installment payment on taxes due under subsection (a) of this section on the company's business done during the current calendar year, which payment shall amount to one-half of the prior year's premium tax without a deduction for any franchise tax paid to counties or municipalities of this State.

(4) On March 1, 1983 and each March 1 thereafter, pay the balance of any tax due under subsection (a) of this section based on the company's business during the preceding calendar year and make an installment payment in an amount equal to one-half of the tax payable under subsection (a) of this section on the company's business done during the preceding calendar year.

(d) Nothing in this section requiring a partial payment of tax shall be deemed to apply to premiums for fire insurance risks on properties in this State paid to an insurer which is not organized under the laws of this State or to premiums for marine insurance risks.

(e) In the calculation of the tax due in accordance with subsection (a) hereof, every insurance company shall be entitled to a credit in the amount of the tax paid as a partial payment in the preceding calendar year and shall be entitled to the return of any amount so paid which shall be found to be in excess of the total amount payable in accordance with this section.

(f) If the franchise tax paid to counties and municipalities of this State during the calendar year 1981 exceeds the amount of the tax due under subsection (a) of this section, no refund or credit shall be allowed.

2. This act shall take effect immediately. Subsection (b) of section 1 shall be applicable to taxes and prepayments due and payable in the year 1981 and in each year thereafter. Subsection (c) of section 1 shall be applicable to taxes and prepayments due and payable in the year 1982 and in each year thereafter.

Approved August 3, 1981.

CHAPTER 248

AN ACT concerning keys to State property and supplementing Title 2C of the New Jersey Statutes.

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

C. 2C:5-7 Violation of act.

1. Any person who knowingly uses, distributes, manufactures, duplicates or possesses a key designed to be used in a lock in or on real property owned or leased by the State without conforming to the rules and regulations established according to section 2 of this act is guilty of a disorderly persons offense.

C. 52:27B-56.a Rules and regulations governing use and distribution of State keys.

2. The Department of the Treasury shall establish rules and regulations governing the use, distribution, manufacture, duplication, and possession of keys designed to be used in locks in or on real property leased or owned by the State and under its jurisdiction.

C. 52:27B-56.b Identification of keys.

3. Any key which according to rules and regulations established under section 2 of this act is not to be duplicated, shall be clearly identified by the words "Property of the State of New Jersey: Do Not Duplicate."

4. This act shall take effect 180 days after enactment.

Approved August 6, 1981.

CHAPTER 249

AN ACT concerning the construction, inspection, repair and safety of dams and reservoirs; amending sections 58:4–1 to 58:4–6 and 58:4–8 to 58:4–10 of the Revised Statutes, supplementing chapter 4 of Title 58 of the Revised Statutes and repealing R. S. 58:4–7.

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

C. 58:4-8.1 Short title.

1. (New section) This act shall be known and may be cited as the "Safe Dam Act."

C. 58:4-8.2 Dam safety inspection and reporting procedure.

2. (New section) The Commissioner of Environmental Protection shall, by rule, establish a periodic dam safety inspection and reporting procedure, on an annual or longer term basis, for the owner of any dam meeting the criteria contained in R. S. 58:4–1. The owner shall have a professional engineer inspect the dam and prepare and submit a report containing such information as the commissioner may require, concerning the safety of said dam and appurtenant structures. Every dam which raises the waters of any stream more than 70 feet above its usual mean low-water height or which impounds more than 10,000 acre-feet of water shall be inspected on an annual basis by a professional engineer retained by the owner, in the company of a professional engineer assigned from the Department of Environmental Protection.

3. R. S. 58:4–1 is amended to read as follows:

Construction and repair of reservoirs and dams; consent of commissioner.

58:4–1. No municipality, corporation or person shall, without the consent of the Commissioner of Environmental Protection, hereinafter in this chapter designated as the commissioner, build any reservoir or construct any dam on any river or stream in this State or between this and any other such state which will raise the waters of such river or stream more than 5 feet above their usual mean low-water height, nor repair, alter or improve existing dams which so raise the water, without such consent.

4. R. S. 58:4–2 is amended to read as follows:

Approval of plans of reservoirs and dams.

58:4–2. Every municipality, corporation or person, before constructing any reservoir or dam subject to the provisions of this chapter shall apply to the commissioner for the approval of the plans of such reservoir or dam, which approval the commissioner may grant with such modifications, limitations or changes as in his judgment may be necessary for the protection of life and property.

5. R. S. 58:4–3 is amended to read as follows:

Descriptions, surveys and plans of existing reservoirs and dams.

58:4–3. Every municipality, corporation or person owning and maintaining or having control of any reservior or dam shall, upon written request therefor, furnish to the commissioner as full, true and particular description of the reservoir or dam as may be practicable, and shall, when so requested by the commissioner cause to be made such surveys, plans and drawings of the reservoir or dam as may be necessary to give sufficient information for the determination of its safety as may be required by the commissioner.

6. R. S. 58:4–4 is amended to read as follows:

Inspection of reservoirs and dams.

58:4–4. Upon written application by any person owning or representing property liable to be injured or destroyed by the breaking of any reservoir or dam, or upon application by the mayor or governing body of any municipality on account of possible danger of loss of life or of injury to any property within the municipality from the breaking of any reservoir or dam, or without such complaint whenever the commissioner shall choose, he shall forthwith thoroughly inspect such reservoir or dam.

7. R. S. 58:4–5 is amended to read as follows:

Alterations, additions and repairs of unsafe reservoirs or dams.

58:4–5. If, in the judgment of the commissioner, such reservoir or dam is not sufficiently strong to resist the pressure of water upon it or there is reasonable cause to believe that danger to life or property may be anticipated from the reservoir or dam, or if for any other cause the commissioner shall determine the reservoir or dam to be unsafe, or improperly maintained he shall determine whether the water in such reservoir or above such dam shall be drawn off in whole or in part, and what alterations, additions and repairs are necessary to be made to the reservoir or dam to make the same safe and properly maintained. The commissioner shall forthwith in writing order the owner or person having control of

the reservoir or dam to cause such alterations, additions and repairs to be made within the time to be limited in the order, and may order the water above the dam or in the reservoir to be drawn off in whole or in part as he may determine. The commissioner shall have the right to enter upon any and all properties for the purpose of obtaining information about the safety and proper maintenance of any reservoir, dam or appurtenant structures located therein.

8. R. S. 58:4–6 is amended to read as follows:

Proceedings upon failure to comply with orders or prosecute work.

58:4–6. If the owner or person having control of any reservoir or dam shall not forthwith comply with any order of the commissioner made as provided in section 58:4–5 of this Title or shall not prosecute the work, when commenced, with reasonable expedition, the commissioner may direct the Attorney General to proceed in the name of the State to enforce its order in a court of competent jurisdiction. Action may be brought against the person controlling or owning the reservoir or dam, and the court may make such order and judgment in the premises as will effectually secure the persons interested from danger of loss from the breaking of the reservoir or dam complained of. The court may proceed in the action in a summary manner or otherwise. Any person who violates the provisions of this chapter or of any order issued pursuant to this chapter shall be liable to a penalty of not more than $5,000.00 for each offense. If the violation is of a continuing nature, each day during which it continues shall constitute an additional, separate and distinct offense.

9. R. S. 58:4–8 is amended to read as follows:

Inspection of reservoirs and dams.

58:4–8. The commissioner may, when provided with sufficient funds, employ personnel for the inspection of existing reservoirs and dams and the supervision of the erection of new reservoirs and dams in this State or between this and any other state so that said structures may be built with due regard for the safety of property and life which might be endangered by improper construction thereof.

10. R. S. 58:4–9 is amended to read as follows:

Maintenance of existing reservoirs and dams; petition against abandonment.

58:4–9. Where a reservoir or dam has been in existence 20 years and the owners of land along the shores above such dam or on such reservoir have made or shall have made permanent

improvements on said land or where the shores have become a populated community, depending upon the permanency of the condition created, and a petition signed by a majority of the landowners along the shore of any pond formed by the reservoir or dam protesting against the removal of the reservoir, water or dam has been filed with the commissioner, the owner or owners of the reservoir or dam shall not, without the consent of the commissioner, tear down, destroy or abandon the reservoir or dam, or withdraw the water below the usual low-water mark, or maintain such a condition, except for the purpose of necessary repairs.

11. R. S. 58:4–10 is amended to read as follows:

Hearing on petition; fixing low water mark; maintenance expenses.

58:4–10. When a petition has been filed protesting against the removal of any reservoir, water or dam as provided in section 58:4–9 of this Title the commissioner shall grant a hearing, upon 20 days' notice to all parties interested, and may then establish and fix a permanent low-water mark. Should it appear that the maintenance of such a dam would be an undue burden upon the owner thereof, the landowners interested around the reservoir or above the dam may, in the discretion of the commissioner, be ordered to pay a part or all of the expenses of maintenance.

Repealer.

12. R. S. 58:4–7 is repealed.

13. This act shall take effect immediately.

Approved August 6, 1981.

CHAPTER 250

AN ACT concerning surplus lines insurance, amending and supplementing P. L. 1960, c. 32, and making an appropriation therefor.

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

1. Section 7 of P. L. 1960, c. 32 (C. 17:22–6.41) is amended to read as follows:

C. 17:22-6.41 Definitions.

7. As used in this surplus lines law:

(a) "Surplus lines agent" means an individual licensed as

provided in this chapter to handle the placement of insurance coverages on behalf of unauthorized insurers.

(b) "Surplus lines insurer" means an unauthorized insurer in which an insurance coverage is placed or may be placed under this surplus lines law.

(c) To "export" means to place in an unauthorized insurer under this surplus lines law, insurance covering a subject of insurance resident, located, or to be performed in New Jersey.

(d) "Commissioner" means the Commissioner of Insurance of the State of New Jersey.

(e) "Certificate of insurance" means permanent evidence of insurance on a form approved by the commissioner and issued by a surplus lines agent who has filed evidence of his binding authority with the commissioner on behalf of an alien insurer. When issued other than on behalf of an alien insurer, the certificate of insurance will be treated as temporary evidence of insurance, pending the issuance of a policy.

(f) "Cover note," "binder" or "confirmation of insurance," means temporary evidence of insurance, to be replaced by a policy or certificate of insurance.

2. Section 8 of P. L. 1960, c. 32 (C. 17:22–6.42) is amended to read as follows:

C. 17:22-6.42 Surplus lines; procurement; conditions.

8. If certain insurance coverages of subjects resident, located, or to be performed in this State cannot be procured from authorized insurers, such coverages, hereinafter designated "surplus lines," may be procured from unauthorized insurers, subject to the following conditions:

(a) The insurance must be eligible for export under section 9 of this act;

(b) The insurer must be an eligible surplus lines insurer under section 11 of this act;

(c) The insurance must be so placed through a licensed New Jersey surplus lines agent whose office and records are maintained in New Jersey; and

(d) Other applicable provisions of this surplus lines law must be complied with.

(e) No surplus lines agent shall exercise binding authority in this State on behalf of any insurer unless the agent has first filed with the commissioner and the commissioner has approved the written agreement between the agent and the insurer setting forth

the terms, conditions and limitations governing the exercise of the binding authority by the agent. A copy of any amendments to the agreement and of any notice of cancellation or termination of the agreement shall be filed by the agent with the commissioner no later than 5 days after adoption thereof.

The agreement filed pursuant to this section shall be considered and treated as a confidential document, and shall not be available for inspection by the public.

The agreement shall include the following items:

(1) A description of the classes of insurance for which the agent holds binding authority;

(2) The geographical limits upon the exercise of binding authority by the agent;

(3) The maximum dollar limitation on the binding authority of the agent for any one risk for each class of insurance written by the agent;

(4) The maximum policy period for which the agent may bind a risk;

(5) If the binding authority is delegable by the agent, a prohibition against the delegation without the prior written approval of the insurer.

If an agent who is qualified in accordance with this section to exercise binding authority on behalf of an insurer delegates the binding authority to any other agent, the agent to whom the authority is delegated shall not exercise the same until a copy of the instrument delegating the binding authority shall first have been filed with and approved by the commissioner. The instrument delegating the binding authority shall include an identification of the binding authority agreement between the delegating agent and the insurer.

3. Section 13 of P. L. 1960, c. 32 (C. 17:22–6.47) is amended to read as follows:

C. 17:22-6.47 Information to be filed by surplus lines agent.

13. Within 30 business days after the effectuation of any surplus lines insurance the surplus lines agent shall file with the commissioner:

(a) A copy of the cover note, certificate, policy or other confirmation of insurance showing the identity and location of the subject of the proposed insurance; name and address of the proposed insured; name of proposed insurer or insurers; perils to

be covered; form or type of policy or contract under which to be insured; any special or additional coverages or conditions; amount of premium or rate, and such other pertinent information as the commissioner may reasonably require; and

(b) The affidavits of the broker and the surplus lines agent, on forms as prescribed and furnished by the commissioner, as to efforts made to place the coverage with authorized insurers and the results thereof, except that no such affidavit shall be required for those coverages, risks or classes of insurance declared eligible for export by the commissioner pursuant to section 9 of this act.

The affidavit of the broker in a surplus lines insurance transaction shall be filed with the surplus lines agent within 10 days of the effectuation of any surplus lines insurance placement. A broker who fails to file the affidavit within the prescribed time is subject to the penalties provided under section 27 of P. L. 1960, c. 32 (C. 17:22–6.61).

4. Section 16 of P. L. 1960, c. 32 (C. 17:22–6.50) is amended to read as follows:

C. 17:22-6.50 Certificate or policy evidencing coverage.

16. Upon placing a surplus line coverage, the surplus lines agent shall promptly issue and deliver to the insured evidence of the insurance consisting either of the policy as issued by the insurer or, if such policy is not then available, a certificate of insurance, cover note, or other confirmation of insurance, as provided in this act. Such document shall be executed or countersigned by the surplus lines agent and shall show the description and location of the subject of the insurance, coverage, conditions and term of the insurance, the premium and rate charged and taxes collected from the insured, and the name and address of the insured and insurer. If the direct risk is assumed by more than one insurer, the document shall state the name and address and proportion of the entire direct risk assumed by each insurer.

No surplus lines agent shall issue any such document, or purport to insure or represent that insurance will be or has been granted by any unauthorized insurer unless he has written authority from the insurer for the insurance, or has received confirmation from the insurer in the regular course of business that such insurance has been granted, or an insurance policy or certificate of insurance providing the insurance actually has been issued by the insurer and delivered to the insured.

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If after the issuance and delivery of any such document there is any change as to the identity of the insurers, or the proportion of the direct risk assumed by the insurer as stated in the original certificate of insurance, cover note or confirmation of insurance, or in any other material respect as to the insurance coverage evidenced by such a document, the surplus lines agent shall promptly issue and deliver to the insured a substitute certificate of insurance, cover note or confirmation, or endorsement for the original of such document, accurately showing the current status of the coverage and the insurers responsible thereunder. No such change shall result in a coverage or insurance contract which would be in violation of this surplus lines law if originally issued on such basis.

If a policy issued by the insurer is not available upon placement of the insurance and the surplus lines agent has issued and delivered a certificate of insurance on behalf of other than an alien insurer, or a cover note or confirmation, as hereinabove provided, the surplus lines agent shall as soon as reasonably possible, and in no event later than 90 days after placement of such insurance, procure from the insurer its policy evidencing the insurance and deliver the policy to the insured in replacement of the certificate of insurance, cover note, or confirmation theertofore issued.

Any surplus lines agent who issues a false certificate, cover note, binder or confirmation of insurance or false endorsement therefor, or who fails to notify the insured promptly of any material change with respect to such insurance and deliver as soon as reasonably possible to the insured a substitute certificate of insurance, cover note or confirmation, or endorsement as provided in paragraph 3 commits a crime of the fourth degree.

C. 17:22-6.50a Contents of certificate of insurance.

5. (New section) Every certificate of insurance shall contain or have attached thereto a complete record of all policy insuring agreements, conditions, exclusions, clauses, endorsements or any other material facts that would regularly be included in a surplus lines policy.

6. (New section) There is hereby appropriated $30,000.00 to the Department of Insurance to effectuate the purposes of this act.

7. This act shall take effect immediately.

Approved August 6, 1981.

CHAPTER 251

AN ACT authorizing the governing body of any city of the second class to sell lands which have been dedicated or granted to such city for the use of such city or of the inhabitants thereof, and amending R. S. 40:176–13.

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

1. R. S. 40:176–13 is amended to read as follows:

Sale of lands dedicated or granted to city; application to court; decree.

40:176–13. Where lands have been dedicated or granted to any city of the second or third class or the inhabitants thereof, for the use of such city or the inhabitants thereof, whether in trust or otherwise, save and except lands dedicated to street purposes, and the governing body of such city deems it impracticable or inadvisable to use the same for any public or municipal purposes, and to the advantage of such city and to its inhabitants to sell the said lands, and shall make representation thereof to the Superior Court, Chancery Division and apply for an order to sell the same, the court may, upon such public notice as it may direct, in a summary manner, inquire into the merits of such application, and if it shall appear to the court that it would be to the advantage of such city and the inhabitants thereof to sell said lands, and would not impair the rights of adjoining landowners, the court may order and decree that said lands be sold by such governing body free and discharged from any and all uses and trusts, in favor of the inhabitants thereof, to such purchaser or purchasers as they may be able to obtain, either in parcels or as a whole, either at private or public sale, as such governing body may deem for the best interest of the inhabitants thereof.

2. This act shall take effect immediately.

Approved August 6, 1981.

CHAPTER 252

AN ACT concerning the approval of the certificate of incorporation of certain nonprofit corporations and associations and repealing R. S. 15:1–15.

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

Repealer.

1. R. S. 15:1-15 is repealed.

2. This act shall take effect 60 days after enactment.

Approved August 12, 1981.

CHAPTER 253

A SUPPLEMENT to the "Water Pollution Control Act," approved April 25, 1977 (P. L. 1977, c. 74, C. 58:10A–1 et seq.).

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

C. 58:10A-15 Legislature's findings and declarations.

1. The Legislature finds that certain halogenated hydrocarbon chemicals and aromatic hydrocarbon chemicals used as sewage system cleaners are a significant and unnecessary source of water pollution and groundwater contamination. These chemicals are toxic and generally nonbiodegradable. When used to unblock sewage systems they are introduced into the groundwater where they have adverse effects on the health and environment of the citizens of this State. It is declared to be the policy of this State to eliminate the introduction of these toxic chemicals into the groundwaters of this State.

C. 58:10A-16 Definitions.

2. As used in this act:

a. "Sewage system cleaner" means any solid or liquid material intended or used primarily for the purpose of cleaning, treating, degreasing, unclogging, disinfecting or deodorizing any part of a sewage system but excluding those liquid or solid products intended

or used primarily for manual cleaning, scouring, treating, deodorizing or disinfecting the surfaces of common plumbing fixtures.

b. "Sewage system" means any part of a wastewater disposal system, including but not limited to all toilets, piping, drains, sewers, septic tanks, distribution boxes, absorption fields, seepage pits, cesspools, and dry wells.

c. "Restricted chemical material" means any chemical material which contains concentrations in excess of one part per hundred, by weight of (1) any halogenated hydrocarbon chemical, aliphatic or aromatic, including but not limited to trichloroethane, trichloroethylene, tetrachloroethylene, methylene chloride, halogenated benzenes and carbon tetrachloride; (2) any aromatic hydrocarbon chemical, including but not limited to benzene, toluene, and naphthalene; (3) any phenol derivative in which a hydroxy-group and two or more halogen atoms are bonded directly to a six-carbon aromatic ring, including but not limited to trichlorophenol or pentachloraphenol; or (4) acrolein, acrylonitrile, or benzidine. Restricted chemical material does not, however, include any chemical material which is (1) biodegradable and (2) not a significant source of contamination of the groundwaters of the State.

C. 58:10A-17 Both sale and use prohibited.

3. a. No person shall distribute, sell, offer or expose for sale in this State any sewage system cleaner containing any restricted chemical material.

b. No person shall use, introduce or apply or cause any other person to use, introduce or apply in any sewage system, surface waters, or groundwaters, any sewage system cleaner containing any restricted chemical material.

C. 58:10A-18 Promulgation of regulations.

4. a. The commissioner shall, within 90 days of the effective date of this act, promulgate regulations establishing methods for identification and quantification of ingredients in sewage system cleaners containing any restricted chemical material.

b. The commissioner shall, within 180 days of the effective date of this act, promulgate regulations requiring manufacturers of sewage system cleaners distributed, sold or offered for sale in this State to furnish to the commissioner any existing information regarding chemical components of such products, including the nature and extent of investigations and research performed by the manufacturer concerning the effects of such products on the quality of the groundwaters of the State, provided that, in lieu of furnishing

this information, the manufacturers may refer the commissioner to any available information which has already been obtained by any Federal or State agency.

c. Whenever the commissioner finds, after investigation and public hearing, that any ingredient other than a restricted chemical material in a sewage system cleaner distributed, sold, offered or exposed for sale in this State is shown to be dangerous, deleterious or injurious to the public health in its impact on the quality of the groundwaters of the State, he shall prohibit or restrict the sale, distribution, offer or exposure for sale or use by any person of sewage system cleaners containing such ingredients.

d. Whenever the commissioner finds, after investigation and public hearing, that any restricted chemical material will not be dangerous, deleterious or injurious to the public health in its impact on the quality of the groundwaters of the State when used in a sewage system cleaner, he may authorize the use of such chemical material in such products.

C. 58:10A-19 Confidentiality of information.

5. The commissioner shall hold confidential any information obtained pursuant to subsection b. of section 4 of this act when shown by any manufacturer that the information, if made public, would divulge competitive business information, methods or processes entitled to protection as trade secrets of the manufacturer.

C. 58:10A-20 Violation of act.

6. Any person who violates any provision of this act or any rule or regulation promulgated hereunder shall be subject to the provisions of P. L. 1977, c. 74, s. 10 (C. 58:10A–10).

7. This act shall take effect immediately.

Approved August 12, 1981.

CHAPTER 254

AN ACT concerning marriage licenses and amending R. S. 37:1–9.

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

1. R. S. 37:1–9 is amended to read as follows:

Grounds for nonissuance of marriage licenses.

37:1–9. No marriage license shall be issued when, at the time of making an application therefor, either applicant is infected with a venereal disease in a communicable stage, or is a person currently adjudicated mentally incompetent.

2. This act shall take effect 90 days after enactment.

Approved August 12, 1981.

CHAPTER 255

AN ACT concerning garbage districts in boroughs and supplementing chapter 90 of Title 40 of the Revised Statutes.

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

C. 40:90-5 Contract for removal of garbage.

1. In addition to the provisions of R. S. 40:90–1, and the provisions of R. S. 40:90–2, R. S. 40:90–3 and R. S. 40:90–4 to the contrary notwithstanding, the governing body of any borough may provide by contract or otherwise for the collection and removal of garbage within a garbage district, but no contract therefor shall be made for more than 5 years.

C. 40:90-6 Payment of cost of garbage removal.

2. The governing body of the borough may order and cause to be raised within the district sufficient money to provide for the payment of the cost of removing the garbage from the district. The sum ordered to be raised shall be levied and collected at the same time and in the same manner as other borough taxes. The collector shall pay the same to the borough treasurer, to be applied only to the purposes for which it is raised.

C. 40:90-7 Moneys levied deemed lien upon land.

3. All moneys so assessed and levied shall be a lien upon the land against which they are assessed in the same manner that taxes are made a lien against land in boroughs, and the payment thereof shall be enforced within the same time and in the same manner and by the same proceedings as the payment of taxes is enforced in boroughs.

C. 40:90-8 Dissolution of boards of garbage commissioners.

4. The governing body of a borough which has garbage districts operating under the provisions of R. S. 40:90–2, R. S. 40:90–3 and R. S. 40:90–4 and which elects to operate those districts under the provisions of this act shall provide by ordinance for the dissolution of the boards of garbage commissioners of the districts and other acts necessary to effect that election.

5. This act shall take effect immediately.

Approved August 12, 1981.

CHAPTER 256

A SUPPLEMENT to the "Criminal Injuries Compensation Act of 1971," approved October 4, 1971 (P. L. 1971, c. 317, C. 52:4B–1 et seq.).

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

C. 52:4B-22 Information to be made available to victims.

1. Every State, county, and municipal police department and hospital or other place of emergency medical care shall have available and shall post in a public place information booklets, pamphlets or other pertinent written information, to be supplied by the Violent Crimes Compensation Board, relating to the availability of crime victims' compensation including all necessary application blanks required to be filed with the board. Every police department shall, upon the filing of a report of a violent crime, make available to any victim information concerning crime victims' compensation.

C. 52:4B-23 No cause of action against State.

2. No cause of action against the State, any county, or any municipality, or any employee thereof, shall arise out of a failure to give the notice required by section 1, nor shall any such failure be deemed or construed to effect or alter any time limitation or other requirement contained in this act for the filing or payment of a claim hereunder.

3. This act shall take effect immediately.

Approved August 12, 1981.

CHAPTER 257

AN ACT concerning the qualifications of members of district boards of registry and election and amending R. S. 19:6–2.

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

1. R. S. 19:6–2 is amended to read as follows:

Members of district boards of registry and election; qualifications.

19:6–2. Any legal voter who is a member of a political party by virtue of having voted in a party primary or who shall have filed a party declaration form for the ensuing primary election for the general election with the commissioner of the county in which the voter is registered and who, for 2 years prior to making written application, has not espoused the cause of another political party or its candidates may make written application for service as a member of a district board of any municipality in the county in which he or she resides on a form to be prepared and furnished for that purpose by such board and signed by him or her and stating thereon, under the applicant's oath, the applicant's name and address and the political party to which he or she belongs and that said applicant is of good moral character and has not been convicted of any crime involving moral turpitude and possesses the following qualifications, namely: such eyesight as will enable the applicant, with or without eyeglasses, to read nonpareil type; ability to read the English language readily; ability to add and subtract figures correctly; ability to write in a legible hand with reasonable facility; reasonable knowledge of the duties to be performed by the applicant as an election officer under the election laws of this State and such health as will permit the applicant to discharge his or her duties as such election officer. No person shall be precluded from applying to serve as a member of a district board of any municipality for failure to vote in any year such person was ineligible to vote by reason of age or residence.

2. This act shall take effect immediately.

Approved August 12, 1981.

CHAPTER 258

AN ACT concerning the compensation of victims of violent crimes and supplementing P. L. 1971, c. 317 (C. 52:4B–1 et seq.).

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

C. 52:4B-10.1 Emergency awards; limitation on amount.

1. The Violent Crimes Compensation Board may make one or more emergency awards to any applicant for compensation pending final determination of a case, when it determines that compensation is likely to be provided and that the applicant will suffer undue hardship if funds are not made immediately available. The amount of any one emergency award shall not exceed $500.00 with the total amount of each such award made to an individual applicant not to exceed $1,500.00. Any emergency awards made to an applicant shall be deducted from the final amount of compensation provided to an applicant by the board. If the amount of compensation made by the board to an applicant is less than the sum provided to the applicant through emergency grants, the applicant shall pay to the board an amount of money equal to the difference. If the board determines that an applicant who has received emergency awards shall receive no compensation, the applicant shall repay to the board the total amount of all emergency awards which he received.

2. This act shall take effect immediately.

Approved August 12, 1981.

CHAPTER 259

AN ACT to amend the "Corporation Business Tax Act (1945)," approved April 13, 1945 (P. L. 1945, c. 162).

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

1. Section 4 of P. L. 1945, c. 162 (C. 54:10A–4) is amended to read as follows:

C. 54:10A-4 Definitions.

4. For the purposes of this act, unless the context requires a different meaning:

(a) "Commissioner" shall mean the Director of the Division of Taxation of the State Department of the Treasury.

(b) "Allocation factor" shall mean the proportionate part of a taxpayer's net worth or entire net income used to determine a measure of its tax under this act.

(c) "Corporation" shall mean any corporation, joint-stock company or association and any business conducted by a trustee or trustees wherein interest or ownership is evidenced by a certificate of interest or ownership or similar written instrument.

(d) "Net worth" shall mean the aggregate of the values disclosed by the books of the corporation for (1) issued and outstanding capital stock, (2) paid-in or capital surplus, (3) earned surplus and undivided profits, (4) surplus reserves which can reasonably be expected to accrue to holders or owners of equitable shares, not including reasonable valuation reserves, such as reserves for depreciation or obsolescence or depletion, and (5) the amount of all indebtedness owing directly or indirectly to holders of 10% or more of the aggregate outstanding shares of the taxpayer's capital stock of all classes, as of the close of a calendar or fiscal year other than indebtedness which is a result of a bona fide financing of motor vehicle inventory held for sale to customers which financing is provided by a taxpayer customarily and routinely providing for this type of financing. In the case of financial business corporations which are funded through debt from affiliated corporations, the debt to the affiliated corporations is not to be considered as "net worth." The foregoing aggregate of value shall be reduced by 50% of the amount disclosed by the books of the corporation for investment in the capital stock of one or more subsidiaries, which investment is defined as ownership (1) of at least 80% of the total combined voting power of all classes of stock of the subsidiary entitled to vote and (2) of at least 80% of the total number of shares of all other classes of stock except nonvoting stock which is limited and preferred as to dividends. In the case of investment in an entity organized under the laws of a foreign country, the foregoing requisite degree of ownership shall effect a like reduction of such investment from net worth of the taxpayer, if the foreign entity is considered a corporation for any purpose under the United States Federal income tax laws, such as (but not by way of sole examples) for the purpose of supplying deemed-paid foreign tax credits or for the

purpose of status as a controlled foreign corporation. In calculating the net worth of a taxpayer entitled to reduction for investment in subsidiaries, the amount of liabilities of the taxpayer shall be reduced by such proportion of the liabilities as corresponds to the ratio which the excluded portion of the subsidiary values bears to the total assets of the taxpayer.

If in the opinion of the commissioner, the corporation's books do not disclose fair valuations the commissioner may make a reasonable determination of the net worth which, in his opinion, would reflect the fair value of the assets, exclusive of subsidiary investments as defined aforesaid, carried on the books of the corporation, in accordance with sound accounting principles, and such determination shall be used as net worth for the purpose of this act.

(e) "Indebtedness owing directly or indirectly" shall include, without limitation thereto, all indebtedness owing to any stockholder or shareholder and to members of his immediate family where a stockholder and members of his immediate family together or in the aggregate own 10% or more of the aggregate outstanding shares of the taxpayer's capital stock of all classes.

(f) "Investment company" shall mean any corporation whose business during the period covered by its report consisted, to the extent of at least 90% thereof of holding, investing and reinvesting in stocks, bonds, notes, mortgages, debentures, patents, patent rights and other securities for its own account, but this shall not include any corporation which: (1) is a merchant or a dealer of stocks, bonds and other securities, regularly engaged in buying the same and selling the same to customers; or (2) had less than 90% of its average gross assets in New Jersey, at cost, invested in stocks, bonds, debentures, mortgages, notes, patents, patent rights or other securities or consisting of cash on deposit during the period covered by its report or (3) is a banking corporation or a financial business corporation as defined in the Corporation Business Tax Act.

(g) "Regulated investment company" shall mean any corporation which for a period covered by its report, is registered and regulated under the Investment Company Act of 1940 (54 Stat. 789), as amended.

(h) "Taxpayer" shall mean any corporation required to report or to pay taxes, interest or penalties under this act.

(i) "Fiscal year" shall mean an accounting period ending on any day other than the last day of December on the basis of which the taxpayer is required to report for Federal income tax purposes.

(j) Except as herein provided, "privilege period" shall mean the calendar or fiscal accounting period for which a tax is payable under this act.

(k) "Entire net income" shall mean total net income from all sources, whether within or without the United States, and shall include the gain derived from the employment of capital or labor, or from both combined, as well as profit gained through a sale or conversion of capital assets. For the purpose of this act, the amount of a taxpayer's entire net income shall be deemed prima facie to be equal in amount to the taxable income, before net operating loss deduction and special deductions, which the taxpayer is required to report to the United States Treasury Department for the purpose of computing its Federal income tax; provided, however, that in the determination of such entire net income,

(1) Entire net income shall exclude 100% of dividends which were included in computing such taxable income for Federal income tax purposes, paid to the taxpayer by one or more subsidiaries owned by the taxpayer to the extent of the 80% or more ownership of investment described in subsection (d) of this section. With respect to other dividends, entire net income shall not exclude 50% of the total included in computing such taxable income for Federal the income of corporations;

(2) Entire net income shall be determined without the exclusion, deduction or credit of:

(A) The amount of any specific exemption or credit allowed in any law of the United States imposing any tax on or measured by the income of corporations:

(B) Any part of any income from dividends or interest on any kind of stock, securities or indebtedness, except as provided in subsection (k) (1) of this section;

(C) Taxes paid or accrued to the United States on or measured by profits or income, or the tax imposed by this act, or any tax paid or accrued with respect to subsidiary dividends excluded from entire net income as provided in subsection (k) (1) of this section;

(D) Net operating losses sustained during any year or period other than that covered by the report;

(E) 90% of interest on indebtedness owing directly or indirectly to holders of 10% or more of the aggregate outstanding shares of the taxpayer's capital stock of all classes; except that such interest may, in any event, be deducted

(i) Up to an amount not exceeding $1,000.00;

(ii) In full to the extent that it relates to bonds or other evidences of indebtedness issued, with stock, pursuant to a bona fide plan of reorganization, to persons, who, prior to such reorganization, were bona fide creditors of the corporation or its predecessors, but were not stockholders or shareholders thereof;

(iii) In full to the extent that it relates to debt of a financial business corporation owed to an affiliate corporation; provided that such interest rate does not exceed 2% over prime rate; the prime rate to be determined by the Commissioner of Banking;

(iv) In full to the extent that it relates to financing of motor vehicle inventory held for sale to customers providing said indebtedness is owed to a taxpayer customarily and routinely providing this type of financing;

(3) The commissioner may, whenever necessary to properly reflect the entire net income of any taxpayer, determine the year or period in which any item of income or deduction shall be included, without being limited to the method of accounting employed by the taxpayer.

(l) "Real estate investment trust" shall mean any unincorporated trust or unincorporated association qualifying and electing to be taxed as a real estate investment trust under Federal law.

(m) "Financial business corporation" shall mean any corporate enterprise which is (1) in substantial competition with the business of national banks and which (2) employs moneyed capital with the object of making profit by its use as money, through discounting and negotiating promissory notes, drafts, bills of exchange and other evidences of debt; buying and selling exchange; making of or dealing in secured or unsecured loans and discounts; dealing in securities and shares of corporate stock by purchasing and selling such securities and stock without recourse, solely upon the order and for the account of customers; or investing and reinvesting in marketable obligations evidencing indebtedness of any person, copartnership, association or corporation in the form of bonds, notes or debentures commonly known as investment securities; or dealing in or underwriting obligations of the United States, any State or any political subdivision thereof, or of a corporate instrumentality of any of them. This shall include, without limitation of the foregoing, business commonly known as industrial banks, dealers in commercial paper and acceptances, sales finance, personal finance, small

loan and mortgage financing businesses, as well as any other enterprise employing moneyed capital coming into competition with the business of national banks; provided, that the holding of bonds, notes, or other evidences of indebtedness by individual persons not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with the business of national banks, shall not be deemed financial business. Nor shall "financial business" include national banks, production credit associations organized under the Farm Credit Act of 1933, stock and mutual insurance companies duly authorized to transact business in this State, security brokers or dealers or investment companies or bankers not employing moneyed capital coming into competition with the business of national banks, real estate investment trusts, or any of the following entities organized under the laws of this State: credit unions, savings banks, savings and loan and building and loan associations, pawnbrokers, and State banks and trust companies.

2. This act shall take effect immediately and shall be applicable to taxpayers with accounting periods commencing on and after January 1, 1981.

Approved August 12, 1981.

CHAPTER 260

AN ACT to amend the "Agent Orange Act," approved February 21, 1980 (P. L. 1979, c. 443) extending the expiration date of that act to August 21, 1982.

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

1. Section 6 of P. L. 1979, c. 443 is amended to read as follows:

6. This act shall be effective for 30 months. At the end of that period the commission shall report to the Legislature on its findings with recommendations for further legislation.

2. This act shall take effect immediately.

Approved August 12, 1981.

CHAPTER 261

AN ACT authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the aggregate principal amount of $350,000,000.00 for the purposes of State or local projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities; and to plan, design, acquire and construct various State water supply facilities, all as recommended by the New Jersey Statewide Water Supply Plan; providing the ways and means to pay the interest of such debt and also to pay and discharge the principal thereof; and providing for the submission of this act to the people at a general election; and providing an appropriation therefor.

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

1. This act shall be known and may be cited as the "Water Supply Bond Act of 1981."

2. The Legislature finds and determines that:

a. The health, safety, welfare, commerce and prosperity of the people of the State depend on the availability of a safe, adequate and reliable supply of water.

b. Pursuant to the New Jersey Statewide Water Supply Plan, specific projects will be recommended to provide additional supplies of water, new transmission and distribution capabilities for existing supplies, increased reserve and emergency response capabilities, and increased water quality benefits which may reduce or eliminate the need for advanced wastewater treatment levels in certain areas.

c. This plan will further recommend specific projects to provide for the consolidation of deficiently operating facilities, in order to insure adequate services in the quantity and quality of water delivered, and to provide for the rehabilitation and repair of antiquated or damaged water supply facilities, thereby helping to conserve our vital water resources through leakage reduction and lending increased support to New Jersey's revitalization and economic development.

d. The sum of $350,000,000.00 is needed at this time to adequately implement the recommendations of this plan.

3. As used in this act:

a. "Bonds" means the bonds authorized to be issued, or issued under this act;

b. "Commission" means the New Jersey Commission on Capital Budgeting and Planning;

c. "Commissioner" means the Commissioner of Environmental Protection;

d. "Construct" and "construction" mean, in addition to the usual meaning thereof, acts of construction, reconstruction, replacement, extension, improvement and betterment;

e. "Cost" means the cost of acquisition or construction of all or any part of a project and of all or any real or personal property, agreements and franchises deemed by the department to be necessary or useful and convenient therefor or in connection therewith, including interest or discount on bonds, costs of issuance of bonds, cost of geological and hydrological services, administrative cost, interconnection testing, engineering and inspection costs and legal expenses, costs of financial, professional and other estimates and advice, organization, operating and other expenses prior to and during such acquisition or construction, and all such other expenses as may be necessary or incident to the financing, acquisition, construction and completion of such project or part thereof and the placing of the same in operation, and also such provisions for a reserve fund, or reserves for working capital, operating, maintenance or replacement expenses and for payment or security of principal of or interest on bonds during or after such acquisition or construction as the State Comptroller may determine;

f. "Department" means the Department of Environmental Protection;

g. "Project" means any work relating to water supply facilities;

h. "Real property" means lands, within or without the State, and improvements thereof or thereon, any and all rights-of-way, water, riparian and other rights, and any and all easements, and privileges in real property, and any right or interest of any kind or description in, relating to or connected with real property;

i. "Water supply facilities" means and refers to the real property and the plants, structures, interconnections between existing water supply facilities, machinery and equipment and other property, real, personal and mixed, acquired, constructed or operated, or to be acquired, constructed or operated, in whole or in part by or on behalf of the State, or of a political subdivision of the State or any agency thereof, for the purpose of augmenting the natural

water resources of the State and making available an increased supply of water for all uses, or of conserving existing water resources, and any and all appurtenances necessary, useful or convenient for the collecting, impounding, storing, improving, treating, filtering, conserving or transmitting of water, and for the preservation and protection of these resources and facilities and providing for the conservation and development of future water supply resources, and facilitating incidental recreational uses thereof.

4. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of $350,000,000.00 for the purposes of providing loans for State or local projects for the rehabilitation, repair or consolidation of antiquated, damaged or inadequately operating water supply facilities, and to plan, design, acquire and construct State water supply facilities, all as recommended by the New Jersey Statewide Water Supply Plan.

5. a. The commissioner shall adopt such rules and regulations as are necessary and appropriate to carry out the provisions of this act. The commissioner shall review and consider the findings and recommendations of the commission in the administration of the provisions of this act.

b. The department, or the New Jersey Water Supply Authority, as the case may be, shall, in coordination with the Board of Public Utilities, develop a program to charge any water supply user which benefits from any project funded pursuant to this act, to the maximum extent practicable and feasible, for the full cost of planning, designing, acquiring, constructing and operating that project.

6. The bonds shall be serial bonds and known as "Water Supply Bonds" and as to each series, the last annual installment thereof (subject to redemption prior to maturity) shall mature and be paid not later than 35 years from the date of its issuance but may be issued in whole or in part for a shorter term. Said bonds shall be issued from time to time as the issuing officials herein named shall determine.

7. The Governor, State Treasurer and Comptroller of the Treasury or any two of such officials (hereinafter referred to as "the issuing officials") are hereby authorized to carry out the provisions of this act relating to the issuance of said bonds, and shall determine all matters in connection therewith subject to provisions hereof. In case any of said officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by such person as shall be authorized by law to act in his place as a State official.

8. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith and credit of the State are pledged for the payment of the interest thereon as same shall become due and the payment of the principal at maturity. The principal and interest on such bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

9. The bonds shall be signed in the name of the State by the Governor or by his facsimile signature, under the Great Seal of the State, and attested by the Secretary of State, or an Assistant Secretary of State, and shall be countersigned by the facsimile signature of the Comptroller of the Treasury. Interest coupons attached to said bonds shall be signed by the facsimile signature of the Comptroller of the Treasury. Such bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or coupons shall cease to hold office at the time of such issue or at the time of the delivery of such bonds to the purchaser.

10. a. The bonds shall recite that they are issued for the purposes set forth in section 4 of this act and that they are issued in pursuance of this act and that this act was submitted to the people of the State at the general election held in the month of November, 1981, and that it received the approval of the majority of votes cast for and against it at such election. Such recital in said bonds shall be conclusive evidence of the authority of the State to issue said bonds and of their validity. Any bonds containing such recital shall in any suit, action or proceeding involving their validity be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity therewith and with all other provisions of statutes applicable thereto, and shall be incontestable for any cause.

b. Such bonds shall be issued in such denominations and in such form or forms, whether coupon or registered as to both principal and interest, and with or without such provisions for interchangeability thereof, as may be determined by the issuing officials.

11. When the bonds are issued from time to time the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; provided that the first and last periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

12. The bonds shall be issued and sold at such price not less than the par value thereof and accrued interest thereon, and under such terms, conditions and regulations as the issuing officials may prescribe, after notice of said sale, published at least once in at least three newspapers published in the State of New Jersey, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in New Jersey or the city of New York, the first notice to be at least 5 days prior to the day of bidding. The said notice of sale may contain a provision to the effect that any or all bids in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale at such price not less than the par value thereof and accrued interest thereon and under such terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the Federal Government or any agency thereof, at private sale, without advertisement.

13. Until permanent bonds can be prepared, the issuing officials may, in their discretion, issue in lieu of the permanent bonds temporary bonds in such form and with such privileges as to registration and exchange for permanent bonds as may be determined by the issuing officials.

14. The proceeds from the sale of the bonds shall be paid to the State Treasurer and be held by him in a separate fund, and be deposited in such depositories as may be selected by him to the credit of the fund, which fund shall be known as the "Water Supply Fund".

15. a. The moneys in said "Water Supply Fund" are hereby specifically dedicated and shall be applied to the cost of the purposes set forth in section 4 of this act, and all such moneys are hereby appropriated for such purposes, and no such moneys shall be expended for such purposes (except as otherwise hereinbelow authorized) without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided notwithstanding that the Legislature shall not have then adopted an act making specific appropriation of any said moneys. Any act appropriating moneys from the "Water Supply Fund" shall identify the particular project or projects to be funded by such moneys.

b. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is hereby authorized to transfer from

any available money in the Treasury of the State to the credit of the "Water Supply Fund" such sum as he may deem necessary. Said sum so transferred shall be returned to the treasury of this State by the treasurer thereof from the proceeds of the sale of the first issue of bonds.

c. Pending their application to the purpose provided in this act, moneys in the "Water Supply Fund" may be invested and reinvested as other trust funds in the custody of the State Treasurer in the manner provided by law. Net earnings received from the investment or deposit of such fund shall be paid into the General State Fund.

16. In case any coupon bonds or coupons thereunto appertaining or any registered bond shall become lost, mutilated or destroyed, a new bond shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bonds or coupons, upon the owner furnishing to the issuing officials evidence satisfactory to them of such loss, mutilation or destruction, proof of ownership and such security and indemnity and reimbursement for expenses as the issuing officials may require.

17. Accrued interest received upon the sale of said bonds shall be applied to the discharge of a like amount of interest upon said bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of said bonds, by the State Treasurer upon warrant of the Comptroller of the Treasury, in the same manner as other obligations of the State are paid.

18. Bonds of each series issued hereunder shall mature in annual installments commencing not later than the tenth year and ending not later than the thirty-fifth year from the date of issue of such series, and in such amounts as shall be determined by the issuing officials, and the issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem all or any of such bonds prior to maturity at such price or prices and upon such terms and conditions as may be provided in such bonds.

19. The issuing officials may at any time and from time to time issue refunding bonds for the purpose of refunding in whole or in part an equal principal amount of the bonds of any series issued and outstanding hereunder, which by their terms are subject to redemption prior to maturity, provided such refunding bonds shall mature at any time or times not later than the latest maturity date

of such series, and the aggregate amount of interest to be paid on the refunding bonds, plus the premium, if any, to be paid on the bonds refunded, shall not exceed the aggregate amount of interest which would be paid on the bonds refunded if such bonds were not so refunded. Refunding bonds shall constitute direct obligations of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the principal thereof and the interest thereon. The proceeds received from the sale of refunding bonds shall be held in trust and applied to the payment of the bonds refunded thereby. Refunding bonds shall be entitled to all the benefits of this act and subject to all its limitations except as to the maturities thereof and to the extent herein otherwise expressly provided.

20. To provide funds to meet the interest and principal payment requirements for the bonds issued under this act and outstanding, there is hereby appropriated in the order following:

a. Revenue derived from the collection of taxes as provided by the "Sales and Use Tax Act," P. L. 1966, c. 30 (C. 54:32B–1 et seq.) as amended and supplemented, or so much thereof as may be required; and

b. If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which such tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which such municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General State Fund beyond

the needs of the State, sufficient to meet the principal of bonds falling due and all interest payable in the ensuing calendar year, then and in the event such issuing officials shall by resolution so find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a separate fund to be designated by him, and shall pay the principal and interest out of said fund as the same shall become due and payable, and the other sources of payment of said principal and interest provided for in this section shall not then be available, and the receipts for said year from the tax specified in subsection a. of this section shall thereon be considered and treated as part of the General State Fund, available for general purposes.

21. Should the State Treasurer, by December 31 of any year, deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for such purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In such case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. Such calculation shall be based upon the corrected assessed valuation of such county for the year preceding the year in which such tax is to be assessed, but such tax shall be assessed, levied and collected upon the assesed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify said amount to the county board of taxation and the county treasurer of each county. The said county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

22. For the purpose of complying with the provisions of the State Constitution this act shall, at the general election to be held in the month of November, 1981, be submitted to the people. In order to inform the people of the contents of this act, it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the said election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the said clerks respectively, in accordance with the instruc-

tions of the Secretary of State, shall cause to be printed on each of the said ballots, the following:

If you approve the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "Yes." If you disapprove the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

	Yes.	WATER SUPPLY BOND ISSUE Should the "Water Supply Bond Act of 1981," which authorizes the State to issue bonds in the amount of $350,000,000.00 for the purposes of rehabilitating, repairing or consolidating antiquated, damaged or inadequately operating water supply facilities, and for the planning, design, acquisition and construction of water supply facilities, all as recommended by the New Jersey Statewide Water Supply Plan, and providing the ways and means to pay and discharge the principal thereof, be approved?
	No.	INTERPRETIVE STATEMENT Approval of this act would authorize the sale of $350,000,000.00 in bonds to be used for the rehabilitation, repair or consolidation of existing water supply facilities and for the planning, design, acquisition and construction of water supply facilities, all as recommended by the New Jersey Statewide Water Supply Plan, to solve water supply problems in different areas of New Jersey and to assure the availability of safe, adequate and reliable water supplies to the people of the State.

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in said ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The said votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of such election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at such election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

23. There is appropriated the sum of $5,000.00 to the Department of State for expenses in connection with the publication of notice pursuant to section 22.

24. The commissioner shall submit to the State Treasurer and the commission with the department's annual budget request a plan for the expenditure of funds from the "Water Supply Fund" for the upcoming fiscal year. This plan shall include the following information: a performance evaluation of the expenditures made from the fund to date; a description of programs planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of programs that are financed, in part or whole, by funds from the "Water Supply Fund"; and an estimate of expenditures for the upcoming fiscal year.

25. Immediately following the submission to the Legislature of the Governor's Annual Budget Message the commissioner shall submit to the relevant standing committees of the Legislature, as designated by the President of the Senate and the Speaker of the General Assembly, and to the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature, as reconstituted and continued by the Legislature from time to time, a copy of the plan called for under section 24 of this act, together with such changes therein as may have been required by the Governor's budget message.

26. Not less than 30 days prior to the commissioner entering into any contract, lease, obligation, or agreement to effectuate the purposes of this act, the commissioner shall report to and consult

with the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature as reconstituted and continued from time to time by the Legislature.

27. This section and sections 22 and 23 shall take effect immediately and the remainder of the act shall take effect as and when provided in section 22.

Approved August 13, 1981.

CHAPTER 262

AN ACT concerning the management of water and the diversion of any surface or ground water anywhere in the State, and revising and repealing parts of the statutory law relating thereto.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey.*

C. 58:1A-1 Short title.

1. This act shall be known and may be cited as the "Water Supply Management Act."

C. 58:1A-2 Legislature's findings and declaration of policy.

2. The Legislature finds and declares that the water resources of the State are public assets of the State held in trust for its citizens and are essential to the health, safety, economic welfare, recreational and aesthetic enjoyment, and general welfare, of the people of New Jersey; that ownership of these assets is in the State as trustee of the people; that because some areas within the State do not have enough water to meet their current needs and provide an adequate margin of safety, the water resources of the State and any water brought into the State must be planned for and managed as a common resource from which the requirements of the several regions and localities in the State shall be met; that the present regulatory system for these water resources is ineffective and counterproductive; that it is necessary to insure that within each basin there exist adequate water supplies to accommodate present and future needs; that to ensure an adequate supply and quality of water for citizens of the State, both present and future, and to protect the natural environment of the waterways of the State, it is necessary that the State, through its Department of Environ-

mental Protection, have the power to manage the water supply by adopting a uniform water diversion permit system and fee schedule, a monitoring, inspection and enforcement program, a program to study and manage the State's water resources and plan for emergencies and future water needs, and regulations to manage the waters of the State during water supply and water quality emergencies.

C. 58:1A-3 Definitions.

3. As used in this act:

a. "Commissioner" means the Commissioner of the Department of Environmental Protection or his designated representative;

b. "Consumptive use" means any use of water diverted from surface or ground waters other than a nonconsumptive use as defined in this act;

c. "Department" means the Department of Environmental Protection;

d. "Diversion" means the taking or impoundment of water from a river, stream, lake, pond, aquifer, well, other underground source, or other water body, whether or not the water is returned thereto, consumed, made to flow into another stream or basin, or discharged elsewhere;

e. "Nonconsumptive use" means the use of water diverted from surface or ground waters in such a manner that it is returned to the surface or ground water at or near the point from which it was taken without substantial diminution in quantity or substantial impairment of quality;

f. "Person" means any individual, corporation, company, partnership, firm, association, owner or operator of a water supply facility, political subdivision of the State and any state, or interstate agency or Federal agency;

g. "Waters" or "waters of the State" means all surface waters and ground waters in the State.

C. 58:1A-4 State of water emergency; supply allocation plan; powers of commissioner; termination of emergency.

4. a. Upon a finding by the commissioner that there exists or impends a water supply shortage of a dimension which endangers the public health, safety, or welfare in all or any part of the State, the Governor is authorized to proclaim by executive order a state of water emergency. The Governor may limit the applicability of any state of emergency to specific categories of water supplies or to specific areas of the State in which a shortage exists or impends.

b. The department shall, within 180 days of the effective date of this act, adopt an Emergency Water Supply Allocation Plan as a rule and regulation. This plan shall be utilized as the basis for imposing water usage restrictions during a declared state of water emergency and shall include a priority system for the order in which restrictions would be imposed upon the various categories of water usage.

c. During the duration of a state of water emergency the commissioner, to the extent not in conflict with applicable Federal law or regulation but notwithstanding any State or local law or contractual agreement, shall be empowered to:

(1) Order any person to reduce by a specified amount the use of any water supply; to make use of an alternate water supply where possible; to make emergency interconnections between systems; to transfer water from any public or private system; or to cease the use of any water supply;

(2) Order any person engaged in the distribution of any water supply to reduce or increase by a specified amount or to cease the distribution of that water supply; to distribute a specified amount of water to certain users as specified by the commissioner; or to share any water supply with other distributors thereof;

(3) Establish priorities for the distribution of any water supply;

(4) Adopt rules and regulations as are necessary and proper to carry out the purposes of this section; and

(5) Direct any person engaged in the retail distribution of water to impose and collect a surcharge on the cost of that water as a penalty for the violation of any order to reduce water usage issued pursuant to this subsection. The disposition of all sums collected pursuant to this subsection shall be as provided by law; and

(6) Otherwise implement the Emergency Water Supply Allocation Plan adopted pursuant to subsection b. of this section.

Any order issued by the commissioner pursuant to this subsection shall be based upon fair compensation, reasonable rate relief and just and equitable terms, to be determined after notice and hearing which may occur subsequent to the order and compliance therewith.

d. During the existence of a state of water emergency, the Governor may order the suspension of any laws, rules, regulations, or orders of any department or agency in State Government or within any political subdivision which deal with or affect water and which impede his ability to alleviate or terminate a state of water emergency.

e. Any aggrieved person, upon application to the commissioner, shall be granted a review of whether the continuance of any order issued by the commissioner pursuant to this section is unreasonable in light of then prevailing conditions of emergency.

f. During a state of water emergency the commissioner may require any other department or other agency within State Government to provide information, assistance, resources, and personnel as shall be necessary to discharge his functions and responsibilities under this act, rules and regulations adopted hereunder, or applicable federal laws and regulations.

g. The powers granted to the Governor and the commissioner under this section shall be in addition to and not in limitation of any emergency powers now or hereafter vested in the Governor, the commissioner, or any other State department or agency pursuant to any other laws; except that, upon declaring a state of energy emergency, the Governor may supersede any other emergency powers.

h. The state of water emergency declared by the Governor pursuant to this section shall remain in effect until the Governor declares by a subsequent executive order that the state of water emergency has terminated.

C. 58:1A-5 Rules and regulations.

5. The commissioner shall have the power to adopt, enforce, amend or repeal, pursuant to the "Administrative Procedure Act," P. L. 1968, c. 410 (C:52:14B–1 et seq.) rules and regulations to control, conserve, and manage the water supply of the State and the diversions of that water supply to assure the citizens of the State an adequate supply of water under a variety of conditions and to carry out the intent of this act. These rules and regulations may apply throughout the State or in any region thereof and shall provide for the allocation or the reallocation of the waters of the State in such a manner as to provide an adequate quantity and quality of water for the needs of the citizens of the State in the present and in the future and may include, but shall not be limited to:

a. A permit system to allocate or reallocate any or all of the waters of the State, which system shall provide for the issuance of permits to diverters of more than 100,000 gallons per day of the waters of the State, containing at a minimum the conditions required by this act;

b. Standards and procedures to be followed by diverters to ensure that:

(1) Proper methods are used to divert water;

(2) Only the permitted quantity of water is diverted and that the water is only used for its permitted purpose;

(3) The water quality of the water source is maintained and the water standards for the use of the water are met;

(4) The department is provided with adequate and accurate reports regarding the diversion and use of water;

c. Inspection, monitoring, reporting and enforcement procedures necessary to implement and enforce the provisions of this act;

d. Standards and procedures to be followed to determine the location, extent and quality of the water resources of the State and plan for their future use to meet the needs of the citizens of the State;

e. Standards and procedures to be followed to maintain the minimum water levels and flow necessary to provide adequate water quantity and quality;

f. Standards and procedures governing the maintenance of adequate capacity by, and withdrawal limits for, water purveyors.

C. 58:1A-6 Permit system; development of guidelines.

6. a. The department in developing the permit system established by this act shall:

(1) Permit privileges previously allowed pursuant to lawful legislative or administrative action, except that the department may, after notice and hearing, limit the exercise of these privileges to the extent currently exercised, subject to contract, or reasonably required for a demonstrated future need. All diversion permits issued by the Water Policy and Supply Council prior to the effective date of this act shall remain in effect until modified by the department pursuant to this act. Persons having or claiming a right to divert more than 100,000 gallons of water per day pursuant to prior legislative or administrative action, including persons previously exempted from the requirement to obtain a permit, shall renew that right by applying for a permit, or water usage certification, as the case may be, within 180 days of the effective date of this act. Thereafter, the conditions of the new permit or certification shall be conclusive evidence of such previously allowed privileges.

(2) Require any person diverting 100,000 or more gallons of water per day for agricultural or horticultural purposes to obtain departmental approval, in consultation with the appropriate county agricultural agent, of a 5 year water usage certification program.

This program shall include the right to construct, repair or reconstruct dams or other structures, the right to divert water for irrigation, frost protection, harvesting and other agriculturally-related purposes, and the right to measure the amount of water diverted by means of a log or other appropriate record, and shall be obtained in lieu of any permit which would otherwise be required by this act.

b. Nothing in this act shall prevent the department from including, or require the department to include, the presently non-utilized existing privileges in the new or any future diversion permits issued to the present possessors of these privileges, except as otherwise expressly provided in subsection a. of this section.

C. 58:1A-7 Diversion of water; permit; renewal.

7. a. Except as provided by section 6 of this act, no person may divert more than 100,000 gallons per day of any waters of the State or construct any building or structure which may require a diversion of water unless he obtains a diversion permit. Prior to issuing these permits, the department shall afford the general public with reasonable notice of permit applications, and with the opportunity to be heard thereon at a public hearing held by the department.

b. Every permit issued pursuant to this section and every water usage certification approved pursuant to section 6 of this act shall be renewed by the department upon the expiration thereof, with any conditions deemed appropriate by the department, for the same quantity of water, except that the department may, after notice and hearing, limit that quantity to the amount currently diverted, subject to contract, or reasonably required for a demonstrated future need.

C. 58:1A-8 Provisions of permit.

8. Every permit issued pursuant to this act shall include provisions:

a. Fixing the term of the permit;

b. Fixing the maximum allowable diversion, expressed in terms of a daily or monthly diversion;

c. Identifying and limiting the use or uses to which the water may be put;

d. Requiring the diverter to meter the water being diverted and report the amount and quality of the water being diverted;

e. Allowing the department to enter the diverter's facilities or property to inspect and monitor the diversion;

f. Requiring that all water diverted for a nonconsumptive use be returned to a reasonably proximate body of water designated by the department;

g. Allowing the transfer of a permit with the consent of the department, but only for the identical use of the waters by the transferee;

h. Governing the operations and maintenance of the specific facilities, equipment or premises not otherwise established in regulations because of the unique nature of the facilities, equipment or premises;

i. Permitting the department to modify, suspend or terminate the permit, after notice and hearing, for violations of its conditions, this act, regulations adopted or orders issued by the department, and when deemed necessary for the public interest.

C. 58:1A-9 Rates.

9. The Board of Public Utilities shall fix just and reasonable rates for any public water supply system subject to its jurisdiction, as may be necessary for that system to comply with an order issued by the department or the terms and conditions of a permit issued pursuant to this act.

C. 58:1A-10 Expenditures.

10. Any expenditures necessary to comply with an order or permit issued by the department for construction, improvement, repair or rehabilitation of public water supply systems shall, for the purposes of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.), be considered as expenditures mandated by State law.

C. 58:1A-11 Fees.

11. The department shall in accordance with a fee schedule adopted by rule and regulation, establish and charge reasonable administrative fees, which fees shall be based upon, and not exceed, the estimated cost of processing, monitoring, administering and enforcing the diversion permits. The department shall deposit the fees in the "Environmental Services Fund" created by P. L. 1975, c. 232 (C. 13:1D–30 et seq.). There shall be annually appropriated an amount equivalent to the amount anticipated to be collected as fees by the department for the administration of the water supply management program.

C. 58:1A-12 Power to condemn lands; departmental approval.

12. No person supplying or proposing to supply water to any other person shall have the power to condemn lands, water or

water privileges for any new or additional source of ground or surface water until that person has first submitted to the department an application for approval to divert the source of the water and the department has approved the application subject to such conditions as it may determine to be necessary to protect the public health and welfare.

C. 58:1A-13 Statewide water supply plan; contents.

13. a. Within 180 days of the effective date of this act, the department shall prepare and adopt the New Jersey Statewide Water Supply Plan, which plan shall be revised and updated at least once every 5 years.

b. The plan shall include, but need not be limited to, the following:

(1) An identification of existing Statewide and regional ground and surface water supply sources, both interstate and intrastate, and the current usage thereof;

(2) Projections of Statewide and regional water supply demands for the duration of the plan;

(3) Recommendations for improvements to existing State water supply facilities, the construction of additional State water supply facilities, and for the interconnection or consolidation of existing water supply systems; and

(4) Recommendations for legislative and administrative actions to provide for the maintenance and protection of watershed areas.

c. Prior to adopting the plan, the department shall:

(1) Prepare and make available to all interested persons a proposed plan;

(2) Conduct public meetings in the several geographic areas of the State on the proposed plan; and

(3) Consider the comments made at these meetings, make any revisions to the proposed plan as it deems necessary, and adopt the plan.

C. 58:1A-14 Provision of additional water supplies; cost; inclusion in budget.

14. a. When the department determines that the developed water supply available to a water purveyor is inadequate to service its users with an adequate supply of water under a variety of conditions, the department may order the water purveyor to develop or acquire, within a reasonable period of time, additional water supplies sufficient to provide that service.

b. The Division of Local Government Services in the Department of Community Affairs shall, when reviewing the annual budget

of any municipality, county, or agency thereof which operates a public water supply system, certify that an amount sufficient to cover the cost of any order issued to the municipality, county or agency thereof pursuant to subsection a. of this section is included in that annual budget.

C. 58:1A-15 Powers and duties.

15. The department may:

a. Perform any and all acts and issue such orders as are necessary to carry out the purposes and requirements of this act;

b. Administer and enforce the provisions of this act and rules, regulations and orders promulgated, issued or effective hereunder;

c. Present proper identification and then enter upon any land or water for the purpose of making any investigation, examination or survey contemplated by this act;

d. Subpena and require the attendance of witnesses and the production by them of books and papers pertinent to the investigations and inquiries the department is authorized to make under this act, and examine them and such public records as shall be required in relation thereto;

e. Order the interconnection of public water supply systems, whether in public or private ownership, whenever the department determines that the public interest requires that this interconnection be made, and require the furnishing of water by means of that system to another system, but no order shall be issued before comments have been solicited at a public hearing, notice of which has been published at least 30 days before the hearing, in one newspaper circulating generally in the area served by each involved public water supply system, called for the purpose of soliciting comments on the proposed action;

f. Order any person diverting water to improve or repair its water supply facilities so that water loss is eliminated so far as practicable, safe yield is maintained and the drinking water quality standards adopted pursuant to the "Safe Drinking Water Act," P. L. 1977, c. 224 (C. 58:12A–1 et seq.) are met;

g. Enter into agreements, contracts, or cooperative arrangements under such terms and conditions as the department deems appropriate with other states, other State agencies, Federal agencies, municipalities, counties, educational institutions, investor owned water companies, municipal utilities authorities, or other organizations or persons;

h. Receive financial and technical assistance from the Federal Government and other public or private agencies;

i. Participate in related programs of the Federal Government, other states, interstate agencies, or other public or private agencies or organizations;

j. Establish adequate fiscal controls and accounting procedures to assure proper disbursement of and accounting for funds appropriated or otherwise provided for the purpose of carrying out the provisions of this act;

k. Delegate those responsibilities and duties to personnel of the department as deemed appropriate for the purpose of administering the requirements of this act;

l. Combine permits issued pursuant to this act with permits issued pursuant to any other act whenever that action would improve the administration of both acts;

m. Evaluate and determine the adequacy of ground and surface water supplies and develop methods to protect aquifer recharge areas.

C. 58:1A-16 Violation of act; penalty.

16. If any person violates any of the provisions of this act or any rule, regulation or order adopted or issued pursuant to the provisions of this act, the department may institute a civil action in a court of competent jurisdiction for injunctive relief to enforce said provisions and to prohibit and prevent that violation and the court may proceed in the action in a summary manner. Any person who violates the provisions of this act or any rule, regulation or order adopted or issued pursuant to this act shall be liable to a civil administrative penalty of not more than $5,000.00 for each offense to be imposed by the department pursuant to standards adopted in regulations; or a civil penalty of not more than $5,000.00 for each offense, to be collected in a civil action by a summary proceeding under "the penalty enforcement law" (N. J. S. 2A:58–1 et seq.) or in any case before a court of competent jurisdiction wherein injunctive relief has been requested. The Superior Court and county district court shall have jurisdiction to enforce the penalty enforcement law. If the violation is of a continuing nature, each day during which it continues shall constitute an additional, separate and distinct offense. The department is authorized to compromise and settle any claim for a penalty under this section in such amount in the discretion of the department as may appear appropriate and equitable under all of the circumstances.

C. 13:1B-49.1 Powers and duties of council transferred.

17. All of the powers, duties and functions of the Water Policy and Supply Council are transferred to the Department of Environmental Protection. Whenever the term "Water Policy and Supply Council" occurs or any reference is made thereto in any law, contract or document, administrative or judicial determination, or otherwise, it shall be deemed to mean or refer to the Department of Environmental Protection.

C. 13:1B-49.2 Advisory council; membership; appointment; terms; quorum; compensation.

18. a. There is established in the department a Water Supply Advisory Council which shall consist of seven members appointed by the Governor with the advice and consent of the Senate. Each of these members shall be appointed for a term of 3 years, provided that, of the members first appointed by the Governor, three shall serve for terms of 1 year, two shall serve for terms of 2 years, and two shall serve for terms of 3 years. Of these members, one shall be a representative of the agricultural community, one shall be a representative of industrial and commercial water users, one shall be a representative of residential water users, one shall be a representative of investor-owned water companies, one shall be a representative of municipal or county water companies, one shall be a representative of private watershed protection associations and one shall be a representative of the academic community.

b. A majority of the membership of the council shall constitute a quorum for the transaction of council business. Action may be taken and motions and resolutions adopted by the council at any meeting thereof by the affirmative vote of a majority of the full membership of the council.

c. The council shall meet regularly as it may determine, and shall also meet at the call of the commissioner.

d. The council shall appoint a chairman from among its members and such other officers as may be necessary. The council may, within the limits of any funds appropriated or otherwise made available to it for this purpose, appoint such staff or hire such experts as it may require.

e. Members of the council shall serve without compensation, but the council may, within the limits of funds appropriated or otherwise made available for such purposes, reimburse its members for necessary expenses incurred in the discharge of their official duties.

C. 13:1B-49.3 Powers and duties of council.

19. The council shall:

a. Advise the department concerning the preparation, adoption and revision of the New Jersey Statewide Water Supply Plan;

b. Advise the department concerning the implementation of the permit program required by this act;

c. Advise the New Jersey Water Supply Authority concerning the construction, maintenance and operation of State water supply facilities and projects; and

d. Advise the department concerning the preparation and implementation of the Emergency Water Supply Allocation Plan.

C. 13:1B-49.4 Powers and duties of council.

20. The council may:

a. Review any matter relating to water supply and to transmit such recommendations thereon to the department or to the New Jersey Water Supply Authority as it may deem appropriate;

b. Hold public meetings or hearings within this State on any matter related to water supply; and

c. Call to its assistance and avail itself of the services of such employees of any State, county or municipal department, board, commission or agency as may be required and made available for such purposes.

21. R. S. 58:2-2 is amended to read as follows:

Fixing of charges for surface waters diverted; review.

58:2-2. Payment for water diverted as provided in R. S. 58:2-1 shall be deemed to be a license and its amount shall be fixed by the department at a rate of not less than $1.00 nor more than $10.00 per million gallons. If at all times an amount equal to the average daily flow for the driest month, as shown by the existing records, or in lieu thereof 125,000 gallons daily for each square mile of unappropriated watershed above the point of diversion, shall be allowed to flow down the stream. The department shall fix the minimum rate and may increase the rate proportionately as a lesser amount is allowed to flow down the stream below the point of diversion, due account being taken in fixing said increase both of the duration and amount of the deficiency. The aforesaid 125,000 gallons daily for each square mile of unappropriated watershed shall be additional to the dry-season flow or any part thereof which may be allowed to flow from any appropriated watershed or watersheds above the point of diversion.

Water diverted within the corporate limits of a municipality for manufacturing and fire purposes only and returned without pollution to the stream from which it was taken within said corporate limits shall not be reckoned in making up the aggregate amount diverted.

Any party aggrieved by the action of the department upon filing written complaint on or before March twentieth, shall be heard and permitted to give evidence of the facts, and the sum fixed may be changed, reduced, or cancelled, as the facts may warrant.

22. R. S. 58:2–3 is amended to read as follows:

Certification and collection of amounts due; disposition; expenses of administration.

58:2–3. The department shall annually certify to the State Comptroller, as soon as practicable after January first, and not later than February fifteenth, the names of all municipalities, corporations or private persons owing money to the State for the diversion of water during the preceding year, with the amounts so due.

The State Comptroller shall promptly notify said municipalities, water companies or persons of their indebtedness to the State, and if said amounts are not paid to the State Treasurer on or before July first of the same year, the State Comptroller shall certify to the Attorney-General for collection the names of the delinquents and the amounts due from each, and the Attorney-General shall take immediate steps to collect the same in the name of the State.

All sums received as herein provided shall be deposited to the credit of the State and deemed as part of the Environmental Services Fund. The Legislature shall annually appropriate an amount equivalent to the amount anticipated to be collected as sums charged under this section in support of the water management programs.

23. R. S. 58:2–4 is amended to read as follows:

Payment in the case of condemnation of subsurface, well or percolating water supplies.

58:2–4. In the case of the condemnation of subsurface, well or percolating water supplies, there shall be charged by the State a fee of $1.00 per million gallons from that portion of the supply for the acquisition of which the State's right of eminent domain is exercised for all water diverted, which charge shall be certified to the State Comptroller by the department and its collection shall be enforced in the same manner as hereinbefore in this chapter provided in the case of excess diversion of surface water supplies.

24. R. S. 58:2–5 is amended to read as follows:

Assent of the State.

58:2–5. Nothing in this chapter shall be construed to confer upon any municipality, corporation or person, any franchise not already possessed by said municipality, corporation or person, but the approval of the department contained in its decision as provided in this chapter, shall constitute the assent of the State to the diversion of water as against the State in accordance with the terms of said decision.

C. 58:1A-17 Rules and regulations.

25. Any rules and regulations promulgated pursuant to any statutes repealed by this act shall remain in effect until superseded by rules and regulations promulgated pursuant to this act. However, all such rules and regulations shall be reviewed and revised where necessary by the department within 2 years of the enactment of this act.

Repealer.

26. The following are repealed:

R. S. 58:1–2 through R. S. 58:1–25;
R. S. 58:1–28 through R. S. 58:1–34;
R. S. 58:3–1;
R. S. 58:6–1 through R. S. 58:6–5;
P. L. 1942, c. 24 (C. 58:1–25.1 through 58:1–25.25);
P. L. 1963, c. 181 ss. 1-14, 16, 17 (C. 58:1–35 through 58:1–50);
P. L. 1947, c. 375 (C. 58:4A–1 through 58:4A–4);
P. L. 1945, c. 22, s. 9 (C. 13:1A–9);
P. L. 1948, ss. 100, 101 (C. 13:1B–49 and 13:1B–50).

27. This act shall take effect immediately.

Approved August 13, 1981.

CHAPTER 263

AN ACT concerning elections and amending R. S. 19:32–2.

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

1. R. S. 19:32–2 is amended to read as follows:

Deputy; clerk; secretary and other assistants; civil service; salaries; expenses.

19:32–2. Each superintendent may appoint a chief deputy, a chief clerk, a secretary, such personnel as is authorized under section 19:48–6 of this Title, and any other assistants he considers necessary to carry out the provisions of this Title, and, except as hereinafter provided, may remove the same whenever he deems it necessary and all persons so appointed, by superintendents of elections in counties of the first class having more than 900,000 inhabitants, according to the 1970 Federal census, to serve for terms of more than 6 months in any 1 year, shall be in the classified service of the civil service and shall be appointed in accordance with and shall be subject to the provisions of Title 11, Civil Service, but all other persons so appointed shall not be subject to any of the provisions of Title 11, Civil Service, but shall be in the unclassified service. All persons appointed by the commissioner of registration in counties of the first class having more than 800,000 but less than 900,000 inhabitants according to the 1970 Federal census to serve for terms of more than 6 months in any 1 year, other than the chief deputy and chief clerk and confidential secretary and chief custodian, shall be in the classified service of the civil service and shall be appointed, and hold their positions, in accordance with the provisions of Title 11, Civil Service, but all other persons so appointed shall not be subject to any of the provisions of Title 11, Civil Service, but shall be in the unclassified service. Each superintendent shall fix the salaries of the persons so appointed and such salaries certified to and approved under his hand shall be paid semimonthly by the county treasurer of the county in which such persons are so engaged. All other necessary expenses incurred in carrying out the provisions of this Title when certified to and approved by the superintendent shall be paid by the county treasurer of the county in which the superintendent shall maintain his office; provided, however, that all necessary expenses incurred by the commissioner of registration, the superintendent of elections, and the custodian of voting machines in the counties of the first class for the proper performance of all of his duties of all his offices as set forth in Title 19, shall not exceed, in the aggregate, the sum of $1,250,000.00 per annum.

2. This act shall take effect immediately.

Approved August 14, 1981.

CHAPTER 264

AN ACT concerning nominations for elective office by irregular ballot or write-in votes and supplementing Title 19 of the Revised Statutes.

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

C. 19:14-2.1 Minimum number of ballots for nomination.

1. The name of a person for whom votes are cast by irregular ballot or by write-in vote in a primary election to nominate candidates for elective office shall not be included on the ballot at the general election unless he received a number of irregular ballots or write-in votes for that office at the primary election at least equal to the number of signatures required on a petition to place upon the primary election ballot the name of a candidate for that office, pursuant to R. S. 19:23–8.

2. This act shall take effect immediately.

Approved August 14, 1981.

CHAPTER 265

AN ACT to supplement "An act to provide for the employment and vocational training of certain prisoners confined in county institutions in certain cases," approved December 27, 1968 (P. L. 1968, c. 372; C. 30:8–44 et seq.).

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

C. 30:8-48.1 Housing for inmates in work release programs.

1. a. The governing body of any county which has adopted the provisions of the act to which this act is a supplement may, by ordinance or resolution, as appropriate, establish a program for the housing in an institution or facility operated by a nonprofit organization providing for the care, custody, subsistence, education, training, and welfare of inmates, of any person at outside labor or permitted to attend a vocational training course.

b. Upon the adoption of the ordinance or resolution any eligible inmate may be transferred to such nonprofit institution or facility by order of the sentencing judge at the time of sentencing, or by the sentencing judge or the assignment judge of the county at any time during the term of the sentence. The court or the assignment judge ordering the transfer of an inmate shall do so on the basis of whether or not the transfer of the inmate to the facility or institution is appropriate to the needs and welfare of the inmate and other inmates, and to the security of the county jail, workhouse or penitentiary. The sentencing judge or the assignment judge shall designate the institution or facility to which the person is to be transferred and may, at any time, require that an inmate residing in the facility or institution be sent to the county jail, workhouse or penitentiary to serve the remainder of the sentence.

C. 30:8-48.2 Standards for facilities; annual inspection.

2. The governing body of a county which has adopted an ordinance or resolution pursuant to this act shall enter into contracts for the housing of inmates with any organization operating a facility or institution designated by the sentencing judge or assignment judge.

It shall be the responsibility of the county governing body or its designated representative to insure that each facility or institution is a secure and appropriately supervised place of confinement and that all units are inspected annually. The county governing body may promulgate standards to insure that facilities and institutions where inmates are residing are appropriate for the housing of such persons.

3. This act shall take effect immediately.

Approved August 16, 1981.

CHAPTER 266

AN ACT concerning municipal police forces and chiefs thereof and amending N. J. S. 40A:14–118.

of New Jersey:

1. N. J. S. 40A:14–118 is amended to read as follows:

BE IT ENACTED *by the Senate and General Assembly of the State*

Establishment of municipal police forces; appointment of chiefs; functions, powers and duties.

40A:14–118. The governing body of any municipality, by ordinance, may create and establish, as an executive and enforcement function of municipal government, a police force, whether as a department or as a division, bureau or other agency thereof, and provide for the maintenance, regulation and control thereof. Any such ordinance shall, in a manner consistent with the form of government adopted by the municipality and with general law, provide for a line of authority relating to the police function and for the adoption and promulgation by the appropriate authority of rules and regulations for the government of the force and for the discipline of its members. The ordinance may provide for the appointment of a chief of police and such members, officers and personnel as shall be deemed necessary, the determination of their terms of office, the fixing of their compensation and the prescription of their powers, functions and duties, all as the governing body shall deem necessary for the effective government of the force. Any such ordinance, or rules and regulations, shall provide that the chief of police, if such position is established, shall be the head of the police force and that he shall be directly responsible to the appropriate authority for the efficiency and routine day to day operations thereof, and that he shall, pursuant to policies established by the appropriate authority:

a. Administer and enforce rules and regulations and special emergency directives for the disposition and discipline of the force and its officers and personnel;

b. Have, exercise and discharge the functions, powers and duties of the force;

c. Prescribe the duties and assignments of all subordinates and other personnel;

d. Delegate such of his authority as he may deem necessary for the efficient operation of the force to be exercised under his direction and supervision; and

e. Report at least monthly to the appropriate authority in such form as shall be prescribed by such authority on the operation of the force during the preceding month, and make such other reports as may be requested by such authority.

As used in this section, "appropriate authority" means the mayor, manager, or such other appropriate executive or administrative officer, such as a full-time director of public safety, or the governing body or any designated committee or member thereof, or any

municipal board or commission established by ordinance for such purposes, as shall be provided by ordinance in a manner consistent with the degree of separation of executive and administrative powers from the legislative powers provided for in the charter or form of government either adopted by the municipality or under which the governing body operates.

Expect as provided herein, the municipal governing body and individual members thereof shall act in all matters relating to the police function in the municipality as a body, or through the appropriate authority if other than the governing body.

Nothing herein contained shall prevent the appointment by the governing body of committees or commissions to conduct investigations of the operation of the police force, and the delegation to such committees or commissions of such powers of inquiry as the governing body deems necessary or to conduct such hearing or investigation authorized by law. Nothing herein contained shall prevent the appropriate authority, or any executive or administrative officer charged with the general administrative responsibilities within the municipality, from examining at any time the operations of the police force or the performance of any officer or member thereof. In addition, nothing herein contained shall infringe on or limit the power or duty of the appropriate authority to act to provide for the health, safety or welfare of the municipality in an emergency situation through special emergency directives.

2. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 267

AN ACT concerning alcoholic beverage control and supplementing Title 33 of the Revised Statutes.

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

C. 33:1-25.1 Assumption of leadership positions by law enforcement officers in certain organizations.

1. Nothing within the provisions of Title 33 of the Revised Statutes or any regulation promulgated by the Division of Alcoholic Beverage Control in the Department of Law and Public Safety shall prohibit any regular police officer, peace officer or any

other person whose powers or duties include the enforcement of the alcoholic beverage laws or regulations from assuming any leadership or titular position in any fraternal, veterans', religious, or similar type of nonprofit organization that is a club licensee.

C. 33:1-25.2 Licensee; exclusion of law enforcement officers.

2. Any nonprofit organization holding a club license shall name as the licensee a person other than a regular police officer, peace officer or any other person whose powers or duties include the enforcement of the alcoholic beverage laws or regulations.

3. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 268

AN ACT concerning the "Local Bond Law" and amending N. J. S. 40A:2–38.

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

1. N. J. S. 40A:2–38 is amended to read as follows:

Unlawful acts; financial advisor.

40A:2–38. In the issuance or sale of obligations, it shall be unlawful for the governing body or any member thereof or any official:

a. To pay or agree to pay, directly or indirectly, any bonus, commission, fee or other compensation or consideration for the issuance or for the sale of obligations, and any amount so paid may be recovered for the local unit;

b. To make any agreement with any purchaser or bidder, or his representative, regarding the deposit or disposition or any moneys received or to be received from such sale and every such agreement shall be void;

c. To make any agreement pertaining to the sale of obligations which contains provisions as to any other matter, and such sale and any such agreement shall be void;

d. To make any agreement or "service contract" with respect to publication of notice of sale and printing of bonds or notes, the providing of a legal opinion or for any of such services, whether

or not accompanied by an offer to bid for or purchase obligations. Any such agreement or contract shall be void, and any amount so paid may be recovered for the local unit; except, however, agreements made directly with a newspaper, bond printer or an attorney licensed to practice law in the State in which he has his office.

A municipal bond dealer, banker, or financial expert may be engaged or employed as a financial advisor to provide financial services in connection with the sale of obligations, including the preparation of a bidding circular or prospectus. The financial advisor may bid for obligations offered by the issuer at public sale. The financial advisor shall not purchase any such obligations at any private sale, but any such purchase shall not affect the validity of the obligations, and the local unit shall recover any compensation and profit resulting therefrom to such financial advisor.

2. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 269

AN ACT concerning postponement, suspension, and revocation of drivers' licenses and registration certificates, amending P. L. 1973, c. 306 and N. J. S. 2C:43-2.

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

1. Section 20 of P. L. 1973, c. 306 (C. 2A:4-61) is amended to read as follows:

C. 2A:4-61 Disposition of delinquency cases.

20. Disposition of delinquency cases. If a juvenile is adjudged delinquent the juvenile and domestic relations court may order any of the following dispositions:

a. Adjourn formal entry of disposition of the case for a period not to exceed 12 months for the purpose of determining whether the juvenile makes a satisfactory adjustment, and if during the period of continuance the juvenile makes such an adjustment, dismiss the complaint; or

b. Release the juvenile to the supervision of his or her parents or guardian; or

c. Place the juvenile on probation to the chief probation officer of the county or to any other suitable person who agrees to accept the duty of probation supervision for a period not to exceed 3 years upon such written conditions as the court deems will aid rehabilitation of the juvenile; or

d. Transfer custody of the juvenile to any relative or other person determined by the probation department to be qualified to care for the juvenile; or

e. Place the juvenile under the care of the Division of Youth and Family Services pursuant to P. L. 1951, c. 138, s. 2 (c) (C. 30:4C–2 (c));

f. Place the juvenile under the care and custody of the Commissioner of the Department of Human Services for the purpose of receiving the services of the Division of Mental Retardation of that department, provided that the juvenile has been determined to be eligible for those services under P. L. 1965, c. 59, s. 16 (C. 30:4–25.4); or

g. Commit the juvenile to a suitable institution for the treatment of mental illness if after hearing it is determined from psychiatric evidence that the juvenile does or may constitute a danger to himself or to other persons if not so committed; or

h. Commit the juvenile to a suitable institution maintained for the rehabilitation of delinquents for an indeterminate term not to exceed 3 years; except that any time an adjudication of juvenile delinquency is predicated upon an offense which, if committed by a person of the age of 18 years or over would constitute any form of homicide as defined in section 2C:11–2, 2C:11–3 or 2C:11–4 of the New Jersey Statutes, except death by auto as defined in N. J. S. 2C:11–5, then the period of confinement shall be indeterminate and shall continue until the appropriate paroling authority determines that such person should be paroled; and except that in any case the period of confinement and parole shall not exceed the maximum provided by law for such offense if committed by a person of the age of 18 years or over.

Any juvenile committed under this act who is released on parole prior to the expiration of his maximum term may be retained under parole supervision for a period not exceeding the unserved portion of the term;

i. Such other disposition not inconsistent with this act as the court may determine.

Instead of or in addition to any disposition made according to this section, the court may postpone, suspend, or revoke for a period

not to exceed 1 year the driver's license, registration certificate, or both of any juvenile who used a motor vehicle in the course of committing an act for which he was adjudicated delinquent. In imposing this disposition and in deciding the duration of the postponement, suspension, or revocation, the court shall consider the severity of the delinquent act and the potential effect of the loss of driving privileges on the juvenile's ability to be rehabilitated. Any postponement, suspension, or revocation shall be imposed consecutively with any custodial commitment.

2. N. J. S. 2C:43–2 is amended to read as follows:

Sentence in accordance with code; authorized dispositions.

2C:43–2. Sentence in Accordance with Code; Authorized Dispositions. a. Except as provided in section 2C:43–1b, as to persons convicted of offenses under the New Jersey Controlled Dangerous Substances Act, or as otherwise provided by this code, all persons convicted of an offense or offenses shall be sentenced in accordance with this chapter.

b. Except as provided in subsection a. of this section and subject to the applicable provisions of the code, the court may suspend the imposition of sentence on a person who has been convicted of an offense, or may sentence him as follows:

(1) To pay a fine or make restitution authorized by section 2C:43–3; or

(2) To be placed on probation and, in the case of a person convicted of a crime, to imprisonment for a term fixed by the court not exceeding 180 days to be served as a condition of probation, or in the case of a person convicted of a disorderly persons offense, to imprisonment for a term fixed by the court not exceeding 90 days to be served as a condition of probation; or

(3) To imprisonment for a term authorized by sections 2C:11–3, 2C:43–5, 6, 7, and 8 or 2C:44–5; or

(4) To pay a fine, make restitution and probation, or fine, restitution and imprisonment; or

(5) To release under supervision in the community or to require the performance of community-related service; or

(6) To a halfway house or other residential facility in the community, including agencies which are not operated by the Department of Human Services; or

(7) To imprisonment at night or on weekends with liberty to work or to participate in training or educational programs.

c. Instead of or in addition to any disposition made according to this section, the court may postpone, suspend, or revoke for a period not to exceed 2 years the driver's license, registration certificate, or both of any person convicted of a crime, disorderly persons offense, or petty disorderly persons offense in the course of which a motor vehicle was used. In imposing this disposition and in deciding the duration of the postponement, suspension, or revocation, the court shall consider the severity of the crime or offense and the potential effect of the loss of driving privileges on the person's ability to be rehabilitated. Any postponement, suspension, or revocation shall be imposed consecutively with any custodial sentence.

d. This chapter does not deprive the court of any authority conferred by law to decree a forfeiture of property, suspend or cancel a license, remove a person from office, or impose any other civil penalty. Such a judgment or order may be included in the sentence.

e. The court shall state on the record the reasons for imposing the sentence, including its findings pursuant to the criteria for withholding or imposing imprisonment or fines under sections 2C:44–1 to 2C:44–3, where imprisonment is imposed, consideration of the defendant's eligibility for release under the law governing parole and the factual basis supporting its findings of particular aggravating or mitigating factors affecting sentence.

3. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 270

AN ACT concerning the hawking, peddling and vending of goods, wares and merchandise and the soliciting of trade and amending R. S. 45:24–9.

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

1. R. S. 45:24–9 is amended to read as follows:

Hawking, peddling and vending; special licenses for veterans.

45:24–9. The following persons shall have the right to hawk, peddle and vend any goods, wares or merchandise or solicit trade

within this State, by procuring a license for that purpose to be issued in the manner and under the conditions hereinafter in this article prescribed, except, however, the aforesaid right to hawk, peddle and vend any goods, wares or merchandise or solicit trade shall not extend to or include any public beach or public boardwalk:

a. Every honorably discharged soldier, sailor, marine, nurse or army field clerk of the United States who is a resident of this State.

b. Every exempt member of a volunteer fire department, volunteer fire engine, hook and ladder, hose, supply company or salvage corps, of any municipality or fire district in this State, who holds an exemption certificate issued to him as an exempt member of any such department, company or corps, and who is a resident of this State.

Hawking, peddling and vending hereafter may be regulated by municipal ordinance on public streets and highways.

2. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 271

A SUPPLEMENT to the "Public Employees' Retirement System Act," approved June 28, 1954 (P. L. 1954, c. 84, C. 43:15A–1 et seq.) as said short title was amended by P. L. 1971, c. 213.

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

1. a. Any member of the retirement system who has served at least 13 years successively as a judge in the Division of Tax Appeals in the Department of the Treasury and was serving as such a judge on the date of its abolition pursuant to P. L. 1978, c. 33 (C. 2A:3A–1 et seq.), and shall have attained the age of 60 years or more while serving in such position, and has served at least 25 years in the aggregate, including such service as a judge, in office, position or employment of this State or of a county, municipality, board of education, or public agency of this State, may, within 90 days following the enactment of this act, elect to receive a retirement allowance provided for in subsection b. of this section instead of that provided for in sections 48 and 61 of P. L. 1954, c. 84 (C. 43:15A–48; 43:15A–61).

b. A member upon retirement for service as provided in subsection a. of this section may elect to receive a retirement allowance consisting of:

(1) An annuity which shall be the actuarial equivalent of his accumulated deductions together with regular interest; and

(2) A pension in the amount which, when added to the member's annuity, will provide a total retirement allowance of ¾ of his final compensation.

(3) Upon receipt of the proper proofs of death of a member who has retired on a retirement allowance provided for in this section, there shall be paid to the member's beneficiary, an amount equal to 3/16 of the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service.

2. Any member who would otherwise have qualified to receive a retirement allowance provided for in section 1 of this act, but who on the effective date of this act is receiving a retirement allowance pursuant to section 48 or section 61 of P. L. 1954, c. 84 (C. 43:15A–48; 43:15A–61), may, within 90 days following the effective date of this act, apply to the board of trustees of the retirement system to receive the retirement allowance payable under section 1 of this act. Upon approval of such application by the board of trustees, the retirement allowance payable under section 48 or 61 of P. L. 1954, c. 84 (C. 43:15A–48; 43:15A–61) shall be canceled, and the retirement allowance payable under section 1 of this act shall be paid in the next month following the action of the board of trustees.

3. This act shall take effect immediately and shall be inoperative on the ninety-first day after enactment.

Approved August 24, 1981.

CHAPTER 272

A SUPPLEMENT to the "Public Employees Retirement System Act," approved June 28, 1954 (P. L. 1954, c. 84, C. 43:15A–1 et seq.) as said short title was amended by P. L. 1971, c. 213.

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

1. Notwithstanding any provision of the act to which this act is a supplement to the contrary, any member of the retirement system who prior to his enrollment held elective office in a municipality of this State, and while holding such office was ineligble for enrollment in the retirement system, may, within 90 days following the effective date of this act, apply to the board of trustees of the retirement system to purchase credit for such previous service as an elected municipal official. The terms of purchase and the credit granted shall be identical to those stipulated for the purchase of previous membership service by members of the retirement system as provided by section 8 of P. L. 1954, c. 84 (C. 43:15A–8).

2. This act shall take effect immediately and shall expire and be inoperative on the ninety-first day following enactment.

Approved August 24, 1981.

CHAPTER 273

AN ACT concerning the issuance of bonds under the "Local Bond Law", N. J. S. 40A:2–1 et seq., for major repair, reconditioning or overhaul of fire engines and apparatus under certain circumstances, and amending N. J. S. 40A:2–22.

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

1. N. J. S. 40A:2–22 is amended to read as follows:

Periods of usefulness.

40A:2–22. The governing body of the local unit shall determine the period of usefulness of any purpose according to its reasonable life computed from the date of the bonds, which period shall not be greater than the following:

a. Buildings and structures.

1. Bridges, including retaining walls and approaches, or permanent structures of brick, stone, concrete or metal, or similar durable construction, 30 years.

2. Buildings, including the original furnishings and equipment therefor:

Class A: A building, of which all walls, floors, partitions, stairs and roof are wholly of incombustible material, except

the window frames, doors, top flooring and wooden handrails on the stairs, 40 years;

Class B: A building, the outer walls of which are wholly of incombustible material, except the window frames and doors, 30 years;

Class C: A building which does not meet the requirements of Class A or Class B, 20 years.

3. Buildings or structures acquired substantially reconstructed or additions thereto, one-half the period fixed in this subsection for such buildings or structures.

4. Additional furnishings, 5 years.

b. Marine improvements.

1. Harbor improvements, docks or marine terminals, 40 years.

2. Dikes, bulkheads, jetties or similar devices of stone, concrete or metal, 15 years; of wood or partly of wood, 10 years.

c. Additional equipment and machinery.

1. Additional or replacement equipment and machinery, 15 years.

2. Voting machines, 15 years.

d. Real property.

1. Acquisition for any public purpose of lands or riparian rights, or both, and the original dredging, grading, draining or planting thereof, 40 years.

2. Improvement of airport, cemetery, golf course, park, playground, 15 years.

3. Stadia of concrete or other incombustible materials, 20 years.

e. Streets and thoroughfares.

1. Elimination of grade crossings, 35 years.

2. Streets or roads.

Class A: Rigid pavement. A pavement of not less than 8 inches of cement concrete or a 6-inch cement concrete base with not less than 3-inch bituminous concrete surface course, or equivalent wearing surface, 20 years.

Flexible pavement. A pavement not less than 10 inches in depth consisting of 5-inch macadam base, 3-inch modified penetration macadam and 3-inch bituminous concrete surface course or other pavements of equivalent strength, in accordance with the findings of the American Association of State Highway Officials (AASHO) Road Test, 20 years.

Class B: Mixed surface-treated road. An 8-inch surface of gravel, stone or other selected material under partial control

mixed with cement or lime and fly ash, 6 inches in compacted thickness with bituminous surface treatment and cover, 10 years.

Bituminous penetration road. A 5-inch gravel or stone base course and a 3-inch stone course bound with a bituminous or equivalent binder, 10 years.

Class C: Mixed bituminous road. An 8-inch surface of gravel, stone, or other selected material under partial control mixed with bituminous material 1 inch or more in compacted thickness, 5 years.

Penetration macadam road. A road of sand, gravel or water bound macadam, or surfacing with penetration macadam, 5 years.

3. Sidewalks, curbs and gutters of stone, concrete or brick, 10 years.

The period of usefulness in this subsection shall apply to construction and reconstruction of streets and thoroughfares.

f. Utilities and municipal systems.

1. Sewer system, whether sanitary or storm water, water supply or distribution system, 40 years.

2. Electric light, power or gas systems, garbage, refuse or ashes incinerator or disposal plant, 25 years.

3. Communication and signal systems, 10 years.

4. House connections to publicly-owned gas, water or sewer systems from the service main in the street to the curb or property lines where not part of original installation, 5 years.

g. Vehicles and apparatus.

1. Fire engines, apparatus and equipment, when purchased new, but not fire equipment purchased separately, 10 years.

2. Automotive vehicles, including original apparatus and equipment (other than passenger cars and stationwagons), when purchased new, 5 years.

3. Major repairs, reconditioning or overhaul of fire engines and apparatus, which may reasonably be expected to extend for at least 5 years the period of usefulness thereof, 5 years.

h. Any purpose, except vehicles, not included in the foregoing, for which obligations may be issued, 15 years.

2. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 274

A SUPPLEMENT to "An Act concerning simple, clear, understandable and easily readable language in consumer contracts," approved October 16, 1980 (P. L. 1980, c. 125, C. 56:12–1 et seq.).

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

C. 56:12-8.1 Suspension of act's provisions; schedule.

1. Notwithstanding any contrary provisions of the act to which this act is a supplement, a primary State regulator may suspend the provisions of that act requiring consumer contracts to be simple, clear, understandable and readable as they apply to any consumer contract with respect to which the primary State regulator determines it is in the public interest to so suspend for any period as he deems advisable to insure that the public interest is protected.

The primary State regulator, as soon as is practicable, shall establish a schedule of the dates upon which a consumer contract, with respect to which the provisions of the act to which this act is a supplement are suspended, shall be subject to the provisions of that act. The schedule shall be submitted to the Governor and the Legislature.

2. This act shall take effect immediately.

Approved August 24, 1981.

CHAPTER 275

AN ACT authorizing the creation of a debt of the State of New Jersey by issuance of bonds of the State in the sum of $100,000,000.00 for the identification and cleanup and removal of hazardous discharges; providing the ways and means to pay the interest of the debt and also to pay and discharge the principal thereof; providing for the submission of this act to the people at a general election; and making an appropriation.

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

1. This act shall be known and may be cited as the "Hazardous Discharge Bond Act."

2. The Legislature finds and declares that the improper, irresponsible, and often illegal discharge of hazardous substances presents a grave threat to the public health and safety, and to the environment; that the dangers posed by these discharges can be minimized only by prompt identification and cleanup and removal of these hazardous discharges; that existing funding sources are not adequate to finance these cleanup and removal operations; and that it is therefore in the best interests of all citizens of this State to provide a funding mechanism to finance the prompt identification and efficient cleanup and removal of discharges of hazardous substances.

3. As used in this act:

a. "Cost" means, in addition to the usual connotations thereof, the interest or discount on bonds; cost of issuance of bonds; cost of inspection, testing, legal, financial or other professional services, estimates, and advice; cost of organization, administrative, operating, and other work and services, including salaries, supplies, equipment, and materials necessary to administer this act;

b. "Hazardous discharge" means the actual or imminent release, spill, leak, emission, or dumping of any hazardous substance into the environment which represents a threat to the public health and safety or the environment;

c. "Fund" means the "Hazardous Discharge Fund" created pursuant to section 14 of this act;

d. "Hazardous substances" means such elements and compounds, including petroleum products, which are defined as such by the New Jersey Department of Environmental Protection, after public hearing, and which shall be consistent to the maximum extent possible with, and which shall include, the list of hazardous substances adopted by the Federal Environmental Protection Agency pursuant to section 311 of the "Federal Water Pollution Control Act Amendments of 1972" (33 U. S. C. § 1321) as amended by the Clean Water Act of 1977 (33 U. S. C. § 1251 et seq.) and the list of toxic pollutants designated by Congress or the Environmental Protection Agency pursuant to section 307 of that act; except that sewage and sewage sludge shall not be considered as hazardous substances for the purposes of this act.

4. Bonds of the State of New Jersey are authorized to be issued in the aggregate principal amount of $100,000,000.00, for the

purpose of identification and cleanup and removal of hazardous discharges.

4.1. The commissioner shall adopt, pursuant to law, such rules and regulations as are necessary or appropriate to carry out the provisions of this act. The commissioner shall review and consider the findings and recommendations of the New Jersey Commission on Capital Budgeting and Planning in the administration of this act.

5. The bonds shall be serial bonds and known as "Hazardous Discharge Bonds" and, as to each series, the last installment thereof (subject to redemption prior to maturity) shall mature and be paid not later than 35 years from the date of its issuance.

6. The bonds shall be issued from time to time as money is required for the purpose aforesaid, as the issuing officials herein named shall determine.

7. The Governor, State Treasurer and the Comptroller of the Treasury or any two of such officials (hereinafter referred to as "the issuing officials") are authorized to carry out the provisions of this act relating to the issuance of said bonds, and shall determine all matters in connection therewith subject to provisions hereof. In case any of said officials shall be absent from the State or incapable of acting for any reason his powers and duties shall be exercised and performed by the person authorized by law to act in his place as a State official.

8. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith and credit of the State are pledged for the payment of the interest thereon as same shall become due and the payment of the principal at maturity. The principal and interest on such bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

9. The bonds shall be signed in the name of the State by the Governor or by his facsimile signature, under the Great Seal of the State, and attested by the Secretary of State, or an Assistant Secretary of State, and shall be countersigned by the facsimile signature of the Comptroller of the Treasury.

Interest coupons attached to the bonds shall be signed by the facsimile signature of the director or the Comptroller of the Treasury. The bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear

on the bonds or coupons shall cease to hold office at the time of issue or at the time of the delivery of the bonds to the purchaser.

10. a. The bonds shall recite that they are issued for the purposes set forth in section 4 of this act and that they are issued in pursuance of this act and that this act was submitted to the people of the State at the general election held in the month of November, 1981 and that it was approved by a majority of the legally qualified voters of the State voting thereon at that election. The recital in said bonds shall be conclusive evidence of the authority of the State to issue said bonds and of their validity. Any bonds containing such recital shall in any suit, action or proceeding involving their validity be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of statutes applicable thereto, and shall be incontestable for any cause.

b. The bonds shall be issued in such denominations and in such form or forms, whether coupon or registered as to both principal and interest, and with or without such provisions for interchangeability thereof, as may be determined by the issuing officials.

11. When the bonds are issued from time to time the bonds of each issue shall constitute a separate series to be designated by the issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; provided, that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

12. The bonds shall be issued, and sold at such price not less than the par value thereof and accrued interest thereon, and under such terms, conditions and regulations, as the issuing officials may prescribe, after notice of said sale, published at least three times in at least three newspapers published in the State of New Jersey, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in New Jersey or in the city of New York, the first notice to be at least 7 days prior to the day of bidding. The said notice of sale may contain a provision to the effect that any or all bids made in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale at such price not less than the par value thereof and accrued interest thereon and under such terms and con-

ditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the Federal Government or any agency thereof, at private sale, without advertisement.

13. Until permanent bonds can be prepared, the issuing officials may, in their discretion, issue in lieu of such permanent bonds temporary bonds in such form and with such privileges as to registration and exchange for permanent bonds as may be determined by the issuing officials.

14. The proceeds from the sale of the bonds shall be paid to the State Treasurer and be held by him in a separate fund and be deposited in such depositories as may be selected by him to the credit of the fund, which fund shall be known as the "Hazardous Discharge Fund." The department shall seek to recover from the discharger or other party responsible for a discharge the cleanup and removal of which was paid for with moneys from the fund the cost of such cleanup and removal. In any such suit, the only defenses which may be raised are those provided by subsection d. of section 8 of P. L. 1976, c. 141 (C. 58:10–23.11g), and the department need prove only that an unlawful discharge occurred which was the responsibility of the discharger or other responsible party. The department may compromise and settle the amount sought for costs and damages from the discharger or other responsible party and any penalty arising under this act. Any awards or penalties collected as a result of State action or litigation against any person responsible for a discharge cleaned up or removed with moneys from the fund shall be credited to the fund.

15. a. The moneys in the "Hazardous Discharge Fund" are specifically dedicated and shall be applied to the cost of the purposes set forth in section 4 of this act, and all such moneys are hereby appropriated for such purposes, and no such moneys shall be expended for such purpose, except as otherwise hereinbelow authorized, without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided notwithstanding that the Legislature shall not have then adopted an act making specific appropriation of any of said moneys. Moneys in the fund shall be appropriated and expended only for hazardous discharges not eligible for cleanup and removal pursuant to the provisions of the "Spill Compensation and Control Act," P. L. 1976, c. 141 (C. 58:10–23.11 et seq.) or any other State or federal law, or for which moneys available pursuant to P. L. 1976, c. 141 are currently in-

sufficient to cover the costs of cleanup and removal, but moneys in the fund may be appropriated and expended to pay the non-federal share of any federal program which finances the cleanup and removal of hazardous discharges if moneys available pursuant to P. L. 1976, c. 141 are currently insufficient to cover the share.

b. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is authorized to transfer from any available money in the treasury of the State to the credit of the fund such as he may deem necessary.

The sum so transferred shall be returned to the treasury of this State by the treasurer thereof from the proceeds of the sale of the first issue of bonds.

c. Pending their application to the purpose provided in this act, moneys in the fund may be invested and reinvested as other trust funds in the custody of the State Treasurer in the manner provided by law. Net earnings received from the investment or deposit of such fund shall be paid into the General State Fund.

16. In case any coupon bonds or coupons thereunto appertaining or any registered bond shall become lost, mutilated or destroyed, a new bond shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bonds or coupons, upon the owner furnishing to the issuing officials evidence satisfactory to them of such loss, mutilation or destruction, proof of ownership and such security and indemnity and reimbursement for expenses as the issuing officials may require.

17. Accrued interest received upon the sale of said bonds shall be applied to the discharge of a like amount of interest upon said bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of said bonds, by the State Treasurer upon warrant of the Comptroller of the Treasury, in the same manner as other obligations of the State are paid.

18. Bonds of each series issued hereunder shall mature in annual installments commencing not later than the tenth year and ending not later than the thirty-fifth year from the date of issue of such series, and in such amounts as shall be determined by the issuing officials, and the issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem all or any of such bonds prior to maturity at such price or prices and upon such terms and conditions as may be provided in such bonds.

19. The issuing officials may at any time and from time to time issue refunding bonds for the purpose of refunding in whole or in part an equal principal amount of the bonds of any series issued and outstanding hereunder, which by their terms are subject to redemption prior to maturity, provided such refunding bonds shall mature at any time or times not later than the latest maturity date of such series, and the aggregate amount of interest to be paid on the refunding bonds, plus the premium, if any, to be paid on the bonds refunded, shall not exceed the aggregate amount of interest which would be paid on the bonds refunded if such bonds were not so refunded. Refunding bonds shall constitute direct obligations of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the principal thereof and the interest thereon. The proceeds received from the sale of refunding bonds shall be held in trust and applied to the payment of the bonds refunded thereby. Refunding bonds shall be entitled to all the benefits of this act and subject to all its limitations except as to the maturities thereof and to the extent herein otherwise expressly provided.

20. To provide funds to meet the interest and principal payment requirements for the bonds issued under this act and outstanding, there is hereby appropriated in the order following:

a. Revenue derived from the collection of taxes as provided by the "Sales and Use Tax Act," P. L. 1966, c. 30 (C. 54:32B–1 et seq.), or so much thereof as may be required;

b. Revenue derived from the collection of taxes levied on the generation, transfer, transportation, handling, treatment, or disposal of hazardous substances pursuant to any law enacted subsequent to the effective date of this act, except as provided by the "Spill Compensation and Control Act," P. L. 1976, c. 141 (C. 58:10–23.11) or any amendments thereto, which is allocated for that purpose; and

c. If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available, then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which such tax is to be raised and for the payment

of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which such municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General State Fund beyond the needs of the State, sufficient to meet the principal of bonds falling due and all interest payable in the ensuing calendar year, then and in that event such issuing officials shall by resolution so find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a separate fund to be designated by him, and shall pay the principal and interest out of said fund as the same shall become due and payable, and the other sources of payment of said principal and interest provided for in this section shall not then be available, and the receipts for said year from the fees, charges and taxes specified in subsections a. and b. of this section treated as part of the General State Fund, available for general purposes.

21. Should the State Treasurer, by December 31 of any year, deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for such purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In such case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. Such calculation shall be based upon the corrected assessed valuation of such county for the year preceding the year in which such tax is to be assessed, but such tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify said amount to the county board of taxation and the county treasurer of each county. The said county board of taxation shall include the proper amount in the current

tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

22. For the purpose of complying with the provisions of the State Constitution this act shall, at the general election to be held in the month of November, 1981 be submitted to the people. In order to inform the people of the contents of this act it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the said election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the said clerks respectively, in accordance with the instructions of the Secretary of State, shall cause to be printed on each of the said ballots, the following:

If you approve the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "Yes."

If you disapprove the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

	Yes.	HAZARDOUS DISCHARGE BOND ACT Shall the act entitled "Hazardous Discharge Bond Act," which authorizes the State to issue bonds in the amount of $100,000,000.00 for the identification of and the efficient cleanup and prompt removal of hazardous discharges, and which provides ways and means to pay and discharge the principal and to pay the interest on the debt created by the sale of said bonds, be approved?
	No.	

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in said ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The said votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of such election had

in the same manner as is now provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at such an election in favor of the approval of this act, then all the provisions of this act shall take effect forthwith.

23. There is appropriated the sum of $5,000.00 to the Department of State for expenses in connection with the publication of notice pursuant to section 22 of this act.

24. Sections 22, 23 and 24 of this act shall take effect immediately, and the remainder of the act shall take effect as and when provided in section 22.

Approved August 27, 1981.

CHAPTER 276

AN ACT authorizing the creation of a debt of the State of New Jersey by issuance of bonds of the State in the sum of $50,000,000.00 for the purchase of development easements on farmland and to provide State matching funds for soil and water conservation projects; providing the ways and means to pay the interest of the debt and also to pay and discharge the principal thereof; providing for the submission of this act to the people at a general election; and making an appropriation therefor.

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

1. This act shall be known and may be cited as the "Farmland Preservation Bond Act of 1981."

2. The Legislature finds and declares that:

a. The development of agriculture and the retention of farmland are important to the present and future economy of the State and the welfare of the citizens of the State. The future of agriculture has been threatened by suburban development of the State's prime farmland. This process has resulted in significant direct loss of agricultural land, idled many intervening acres, led to conflicts between suburban and agricultural uses, jeopardized the farmers'

right to farm, and frequently discouraged new agricultural investment.

b. The future of agriculture will be determined by economic factors such as the capability to compete with all domestic and international productive areas. A primary factor in production efficiency for agriculture is long term planning in the management of soil and water resources and capital investments. This planning can only be accomplished where profitability and operating stability exist at motivating levels.

c. Capital investment by the State through the issuance of bonds is necessary and desirable to acquire, in cooperation with counties and municipalities, development easements on farmland that the same may be retained in economically viable agricultural production and to assist through cost-sharing programs the long term development and management of farmland and the State's natural resources through soil and water conservation projects and programs.

3. As used in this act:

a. "Commission" means the New Jersey Commission on Capital Budgeting and Planning;

b. "Cost" as used with respect to cost of development easements or soil and water conservation projects, as defined herein, includes interest or discount on bonds; cost of issuance of bonds; the cost of inspection, appraisal, legal, financial, and other professional services, estimates and advice; and the cost of organizational, administrative and other work and services, including salaries, supplies, equipment and materials necessary to administer this act;

c. "Development easement" means an interest in land, less than fee simple absolute title thereto, which interest represents the right to develop such lands for all nonagricultural purposes;

d. "Farmland" means land identified as prime, unique or of Statewide importance according to criteria adopted by the New Jersey State Soil Conservation Committee, and land of local importance as identified by local agricultural preservation agencies established by law in cooperation with local soil conservation districts, and which qualifies for lower property taxation pursuant to the "Farmland Assessment Act of 1964," P. L. 1964, c. 48 (C. 54:4–23.1 et seq.) and any other land on the farm which is necessary to accommodate farm practices as determined by the Department of Agriculture;

e. "Farmland preservation program" means any program authorized by law which shall have as its principal purpose the long

term preservation of significant masses of reasonably contiguous agricultural land and the maintenance and support of increased agricultural production as the first priority use of that land;

f. "Fund" means the "Farmland Preservation Fund" created pursuant to section 14 of this act;

g. "Secretary" means the Secretary of Agriculture;

h. "Soil and water conservation project" means any project designed for the control and prevention of soil erosion and sediment damages, the control of nonpoint source pollution on agricultural lands, the impoundment, storage and management of water for agricultural purposes, or the improved management of land and soil to achieve maximum agricultural productivity.

4. The secretary shall issue and promulgate, pursuant to law, necessary and appropriate rules and regulations to carry out the provisions of this act. The secretary shall review and consider the findings and recommendations of the commission in the administration of the provisions of this act.

5. Bonds of the State of New Jersey in the aggregate amount of $50,000,000.00 are authorized for the purpose of the preservation of farmland for agricultural use and production. The proceeds from the sale of the bonds shall be deposited in a special fund to be designated the "Farmland Preservation Fund" for appropriation to the Department of Agriculture to provide grants to counties and municipalities for up to 50% of the cost of acquisition of development easements on farmland and to provide grants to landowners for up to 50% of the cost of soil and water conservation projects. All grants made pursuant to this act shall be with respect to land devoted to farmland preservation under programs established, subsequent to the effective date of this act, by a board, committee, or other public body specifically authorized by law to do so.

6. The bonds shall be serial bonds and known as "Farmland Preservation Bonds" and as to each series, the last annual installment thereof (subject to redemption prior to maturity) shall mature and be paid not later than 35 years from the date of its issuance but may be issued in whole or in part for a shorter term. The bonds shall be issued from time to time as money is required for the purposes aforesaid, as the issuing officials herein named shall determine.

7. The Governor, State Treasurer and the Comptroller of the Treasury or any two of such officials (herein referred to as "the issuing officials") are authorized to carry out the provisions of

this act relating to the issuance of bonds, and shall determine all matters in connection therewith subject to the provisions of this act. In case any of these officials shall be absent from the State or incapable of acting for any reason, his powers and duties shall be exercised and performed by the person authorized by law to act in his place as a State official.

8. Bonds issued in accordance with the provisions of this act shall be a direct obligation of the State of New Jersey and the faith and credit of the State are pledged for the payment of the interest thereon as same shall become due and for the payment of the principal at maturity. The principal and interest on the bonds shall be exempt from taxation by the State or by any county, municipality or other taxing district of the State.

9. The bonds shall be signed in the name of the State by the Governor or by his facsimile signature, under the Great Seal of the State and attested by the Secretary of State, or an Assistant Secretary of State, and shall be countersigned by the facsimile signature of the Comptroller of the Treasury. Interest coupons attached to bonds shall be signed by the facsimile signature of the Comptroller of the Treasury. The bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or coupons shall cease to hold office at the time of the issue or at the time of the delivery of the bonds to the purchaser.

10. a. The bonds shall recite that they are issued for the purposes set forth in section 5 of this act and that they are issued pursuant to this act and that this act was submitted to the people of the State at the general election held in the month of November, 1981 and that it was approved by a majority of the legally qualified voters of the State voting thereon at the election. This recital shall be conclusive evidence of the authority of the State to issue the bonds and of their validity. Any bonds containing that recital shall in any suit, action or proceeding involving their validity be conclusively deemed to be fully authorized by this act and to have been issued, sold, executed and delivered in conformity herewith and with all other provisions of statutes applicable thereto, and shall be incontestable for any cause.

b. The bonds shall be issued in such denominations and in such form or forms, whether coupon or registered as to both principal and interest, and with or without such provisions for interchangeability thereof, as may be determined by the issuing officials.

11. When the bonds are issued from time to time the bonds of each issue shall constitute a separate series to be designated by the

issuing officials. Each series of bonds shall bear such rate or rates of interest as may be determined by the issuing officials, which interest shall be payable semiannually; provided, that the first and last interest periods may be longer or shorter, in order that intervening semiannual payments may be at convenient dates.

12. The bonds shall be issued and sold at such price not less than the par value thereof and accrued interest thereon, and under such terms, conditions and regulations, as the issuing officials may prescribe, after notice of said sale, published at least once in at least three newspapers published in the State of New Jersey, and at least once in a publication carrying municipal bond notices and devoted primarily to financial news, published in the city of New York or in New Jersey, the first notice to be at least 7 days prior to the day of bidding. The notice of sale may contain a provision to the effect that any or all bids in pursuance thereof may be rejected. In the event of that rejection or of failure to receive any acceptable bid, the issuing officials, at any time within 60 days from the date of the advertised sale, may sell bonds at private sale at a price not less than the par value thereof and accrued interest thereon and under such terms and conditions as the issuing officials may prescribe. The issuing officials may sell all or part of the bonds of any series as issued to any State fund or to the Federal Government or any agency thereof, at private sale, without advertisement.

13. Until permanent bonds can be prepared, the issuing officials may issue in lieu of permanent bonds temporary bonds in such form and with such privileges as to registration and exchange for permanent bonds as may be determined by the issuing officials.

14. The proceeds from the sale of the bonds shall be paid to the State Treasurer and be held by him in a separate fund which shall be known as the "Farmland Preservation Fund" and be deposited in such depositories as may be selected by him to the credit of the fund.

15. a. The moneys in the fund are specifically dedicated and shall be applied to the cost of the purposes set forth in section 5 of this act, and all such moneys are appropriated for those purposes, and no such moneys shall be expended for those purposes, except as otherwise hereinbelow authorized, without the specific appropriation thereof by the Legislature, but bonds may be issued as herein provided notwithstanding the Legislature shall not have then adopted an act making specific appropriation of any of the moneys.

b. At any time prior to the issuance and sale of bonds under this act, the State Treasurer is authorized to transfer from any available money in the treasury of the State to the credit of the fund such sum as he may deem necessary. The sum transferred shall be returned to the General Treasury by the State Treasurer from the proceeds of the sale of the first issue of bonds.

c. Pending their application to the purposes provided in this act, moneys in the fund may be invested and reinvested as other trust funds in the custody of the State Treasurer in the manner provided by law. Net earnings received from the investment or deposit of the fund shall be paid into the General State Fund.

16. In case any coupon bonds or coupons thereunto appertaining or any registered bond shall become lost, mutilated or destroyed, a new bond shall be executed and delivered of like tenor, in substitution for the lost, mutilated or destroyed bonds or coupons, upon the owner furnishing to the issuing officials evidence satisfactory to them of the loss, mutilation or destruction, proof of ownership and such security and indemnity and reimbursement for expenses as the issuing officials may require.

17. Accrued interest received upon the sale of the bonds shall be applied to the discharge of a like amount of interest upon the bonds when due. Any expense incurred by the issuing officials for advertising, engraving, printing, clerical, legal or other services necessary to carry out the duties imposed upon them by the provisions of this act shall be paid from the proceeds of the sale of bonds, by the State Treasurer upon warrant of the Comptroller of the Treasury, in the same manner as other obligations of the State are paid.

18. The bonds of each series issued hereunder shall mature in installments commencing not later than the tenth year and ending not later than the thirty-fifth year from the date of issue of such series, and in such amounts as shall be determined by the issuing officials, but the issuing officials may reserve to the State by appropriate provision in the bonds of any series the power to redeem all or any of such bonds prior to maturity at such price or prices and upon such terms and conditions as may be provided in such bonds.

19. The issuing officials may at any time and from time to time issue refunding bonds for the purpose of refunding in whole or in part an equal principal amount of the bonds of any series issued and outstanding hereunder, which by their terms are subject to redemption prior to maturity, provided the refunding bonds shall

mature at any time or times not later than the latest maturity date of that series, and the aggregate amount of interest to be paid on the refunding bonds, plus the premium, if any, to be paid on the bonds refunded, shall not exceed the aggregate amount of interest which would be paid on the bonds refunded if the bonds were not so refunded. Refunding bonds shall constitute direct obligations of the State of New Jersey, and the faith and credit of the State are pledged for the payment of the principal thereof and the interest thereon. The proceeds received from the sale of refunding bonds shall be held in trust and applied to the payment of the bonds refunded thereby. Refunding bonds shall be entitled to all the benefits of this act and subject to all its limitations except as to the maturities thereof and to the extent herein otherwise expressly provided.

20. To provide funds to meet the interest and principal payment requirements for the bonds issued under this act and outstanding, there is appropriated in the order following:

a. Revenue derived from the collection of taxes as provided by the "Sales and Use Tax Act," P. L. 1966, c. 30 (C. 54:32B–1 et seq.), or so much thereof as may be required; and

b. If in any year or at any time funds, as hereinabove appropriated, necessary to meet interest and principal payments upon outstanding bonds issued under this act, be insufficient or not available then and in that case there shall be assessed, levied and collected annually in each of the municipalities of the counties of this State a tax on real and personal property upon which municipal taxes are or shall be assessed, levied and collected, sufficient to meet the interest on all outstanding bonds issued hereunder and on such bonds as it is proposed to issue under this act in the calendar year in which the tax is to be raised and for the payment of bonds falling due in the year following the year for which the tax is levied. The tax thus imposed shall be assessed, levied and collected in the same manner and at the same time as other taxes upon real and personal property are assessed, levied and collected. The governing body of each municipality shall cause to be paid to the county treasurer of the county in which the municipality is located, on or before December 15 in each year, the amount of tax herein directed to be assessed and levied, and the county treasurer shall pay the amount of said tax to the State Treasurer on or before December 20 in each year.

If on or before December 31 in any year the issuing officials shall determine that there are moneys in the General State Fund beyond the needs of the State, sufficient to meet the principal of bonds

falling due and all interest payable in the ensuing calendar year, then and if the issuing officials shall by resolution find and shall file the same in the office of the State Treasurer, whereupon the State Treasurer shall transfer such moneys to a separate fund to be designated by him, and shall pay the principal and interest out of the fund as the same shall become due and payable, and the other sources of payment of the principal and interest provided for in this section shall not then be available, and the receipts for that year from the tax specified in subsection a. of this section shall thereon be considered and treated as part of the General State Fund, available for general purposes.

21. Should the State Treasurer, by December 31 of any year, deem it necessary, because of insufficiency of funds to be collected from the sources of revenues as hereinabove provided, to meet the interest and principal payments for the year after the ensuing year, then the treasurer shall certify to the Comptroller of the Treasury the amount necessary to be raised by taxation for those purposes, the same to be assessed, levied and collected for and in the ensuing calendar year. In that case the Comptroller of the Treasury shall, on or before March 1 following, calculate the amount in dollars to be assessed, levied and collected as herein set forth in each county. The calculation shall be based upon the corrected assessed valuation of the county for the year preceding the year in which the tax is to be assessed, but the tax shall be assessed, levied and collected upon the assessed valuation of the year in which the tax is assessed and levied. The Comptroller of the Treasury shall certify that amount to the county board of taxation and the county treasurer of each county. The county board of taxation shall include the proper amount in the current tax levy of the several taxing districts of the county in proportion to the ratables as ascertained for the current year.

22. For the purpose of complying with the provisions of the State Constitution this act shall, at the general election to be held in the month of November, 1981 be submitted to the people. In order to inform the people of the contents of this act it shall be the duty of the Secretary of State, after this section shall take effect, and at least 15 days prior to the election, to cause this act to be published in at least 10 newspapers published in the State and to notify the clerk of each county of this State of the passage of this act, and the clerks respectively, in accordance with the instructions of the Secretary of State, shall cause to be printed on each of the ballots, the following:

If you approve the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "Yes."

If you disapprove the act entitled below, make a cross (×), plus (+), or check (√) mark in the square opposite the word "No."

If voting machines are used, a vote of "Yes" or "No" shall be equivalent to such markings respectively.

	Yes.	FARMLAND PRESERVATION BOND ACT Shall the act entitled "Farmland Preservation Bond Act" which authorizes the State to issue bonds in the amount of $50,000,000.00 to fund up to 50% of the cost of acquisition of development easements on farmland and for soil and water conservation projects on land devoted to farmland preservation under programs established by law, and which provides ways and means to pay the interest on the debt by the sale of said bonds, be approved? INTERPRETIVE STATEMENT Approval of this act will provide $50,000,000.00 for appropriation by the Legislature for grants to counties and municipalities for up to 50% of the cost of the acquisition of development easements on farmland and for grants to landowners for up to 50% of the cost of soil and water conservation projects. Both types of grants would only be made with respect to land devoted to farmland preservation under programs established by a board, committee or other public body specifically authorized by law to do so. For the purposes of this act, a development easement represents the interest in land which enables the owner to develop that land for nonagricultural purposes.
	No.	

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in the ballot. No other requirements of law of any kind or character as to notice or procedure except as herein provided need be adhered to.

The votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of the election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there shall be a majority of all the votes cast for and against it at the election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect immediately.

23. There is hereby appropriated the sum of $5,000.00 to the Department of State for expenses in connection with the publication of notice pursuant to section 22.

24. The secretary shall submit to the State Treasurer and the commission with the department's annual budget request a plan for the expenditure of funds from the "Farmland Preservation Fund" for the upcoming fiscal year. This plan shall include the following information: a performance evaluation of the expenditures made from the fund to date; a description of programs planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of programs that are financed, in part or whole, by funds from the "Farmland Preservation Fund"; and an estimate of expenditures for the upcoming fiscal year.

25. Immediately following the submission to the Legislature of the Governor's Annual Budget Message the secretary shall submit to the relevant standing committees of the Legislature, as designated by the President of the Senate and the Speaker of the General Assembly, and to the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature, as reconstituted and continued by the Legislature from time to time, a copy of the plan called for under section 24 of this act, together with such changes therein as may have been required by the Governor's budget message.

26. Not less than 30 days prior to the secretary entering into any contract, lease, obligation, or agreement to effectuate the purposes of this act, the secretary shall report to and consult with

the special joint legislative committee created pursuant to Assembly Concurrent Resolution No. 66 of the 1968 Legislature as reconstituted and continued from time to time by the Legislature.

27. This section and sections 22 and 23 of this act shall take effect immediately and the remainder of the act shall take effect as and when provided in section 22.

Approved August 31, 1981.

CHAPTER 277

AN ACT concerning the diversion or transportation of water and the imposition of fees therefor, and amending section 6 of P. L. 1981, c. 262 (C. 58:1A–6).

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

C. 58:1A-7.1 Transportation of water prohibited; "Pinelands National Reserve" defined.

1. The provisions of any law, rule or regulation to the contrary notwithstanding, no person shall transport, or cause to be transported, more than 10 miles outside the boundary of the Pinelands National Reserve, any ground or surface water therefrom; provided, however, that nothing in this section shall prohibit the continued transportation of any such water utilized for public water supply purposes prior to the effective date of this act.

As used in this section, "Pinelands National Reserve" means the approximately 1,000,000 acre area so designated by section 502 of the "National Parks and Recreation Act of 1978" (P. L. 95–625), and generally depicted on the map entitled "Pinelands National Reserve Boundary Map" numbered NPS/80,011A and dated September 1978.

C. 58:1A-7.2 No charge for diversion.

2. The provisions of any law, rule or regulation to the contrary notwithstanding, no tax, fee or other charge shall be imposed on the diversion, for agricultural or horticultural purposes, of any ground

or surface water of this State; provided, however, that nothing in this section shall prohibit the imposition of a fee, pursuant to law, for the cost of processing, monitoring and administering a water usage certification program for persons who divert any ground or surface water for agricultural and horticultural purposes.

3. Section 6 of P. L. 1981, c. 262 (C. 58:1A–6) is amended to read as follows:

C. 58:1A-6 Permit system; development; contents.

6. a. The department in developing the permit system established by this act shall:

(1) Permit privileges previously allowed pursuant to lawful legislative or administrative action, except that the department may, after notice and hearing, limit the exercise of these privileges to the extent currently exercised, subject to contract, or reasonably required for a demonstrated future need. All diversion permits issued by the Water Policy and Supply Council prior to the effective date of this act shall remain in effect until modified by the department pursuant to this act. Persons having or claiming a right to divert more than 100,000 gallons of water per day pursuant to prior legislative or administrative action, including persons previously exempted from the requirement to obtain a permit, shall renew that right by applying for a permit, or water usage certification, as the case may be, within 180 days of the effective date of this act. Thereafter, the conditions of the new permit or certification shall be deemed conclusive evidence of such previously allowed privileges.

(2) Require any person diverting 100,000 or more gallons of water per day for agricultural or horticultural purposes to obtain approval of the appropriate county agricultural agent of a 5 year water usage certification program. This approval shall be based on standards and procedures established by the department. This program shall include the right to construct, repair or reconstruct dams or other structures, the right to divert water for irrigation, frost protection, harvesting and other agricultually-related purposes, and the right to measure the amount of water diverted by means of a log or other appropriate record, and shall be obtained in lieu of any permit which would otherwise be required by this act.

b. Nothing in this act shall prevent the department from including, or require the department to include, the presently non-utilized existing privileges in the new or any future diversion permits issued to the present possessors of these privileges, except as otherwise expressly provided in subsection a. of this section.

4. This act shall take effect immediately.

Approved September 8, 1981.

CHAPTER 278

A SUPPLEMENT to the "Solid Waste Management Act," approved May 6, 1970 (P. L. 1970, c. 39; C. 13:1E–1 et seq.), as said short title was amended by P. L. 1975, c. 326.

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

C. 13:1E-92 Short title.

1. This act shall be known and may be cited as the "Recycling Act".

C. 13:1E-93 Legislature's findings.

2. The Legislature finds that New Jersey must continue to seek solutions to its energy, environmental and economic problems; that solutions to these problems require proper solid waste and resource recovery management; that the generation of municipal solid waste is increasing while landfill capacity is decreasing; that the siting of environmentally secure landfills is an area of serious concern and limited choice; and that the disposal of solid waste materials is wasteful of valuable resources.

The Legislature further finds that the recycling of waste materials decreases waste flow to landfill sites, recovers valuable resources, conserves energy in the manufacturing process, and offers a supply of domestic raw materials for the State's industries; that a comprehensive recycling plan and program is necessary to achieve the maximum practicable recovery of reusable materials from solid waste in this State; and that such a plan will reduce the amount of waste to landfills, conserve energy and resources, and recover materials for industrial uses.

The Legislature, therefore, declares it to be in the energy, environmental, and economic interests of the State of New Jersey to implement a comprehensive Statewide recycling plan.

C. 13:1E-94 Definitions.

3. As used in this act:

a. "Division" means the Division of Taxation in the Department of the Treasury;

b. "Director" means the Director of the Division of Taxation in the Department of the Treasury;

c. "Recycling" means any process by which materials which would otherwise become solid waste are collected, separated or processed and returned to the economic mainstream in the form of raw materials or products;

d. "Tax period" means every calendar month or any other period as may be prescribed by rule and regulation adopted by the director, on the basis of which the owner or operator of a sanitary landfill facility is required to report to the director pursuant to this act;

e. "Taxpayer" means the owner or operator of a sanitary landfill facility subject to the tax provisions of this act.

C. 13:1E-95 Tax on recycling solid waste; powers and duties of director.

4. a. There is levied upon the owner or operator of every sanitary landfill facility a recycling tax of $0.12 per cubic yard of all solid waste accepted for disposal at the facility on or after January 1, 1982; except that any solid waste accepted for disposal on or after January 1, 1986 shall be taxed at the rate of $0.06 per cubic yard. In the event that any solid waste is measured upon acceptance for disposal by other than cubic yards, the tax shall be levied on the equivalents thereof as shall be determined by the director.

b. (1) Every owner or operator of a sanitary landfill facility shall, on or before the twentieth day of the month following the close of each tax period, render a return under oath to the director on such form as may be prescribed by the director indicating the number of cubic yards of solid waste accepted for disposal and at said time owner or operator shall pay the full amount of tax due.

(2) Every owner or operator of a sanitary landfill which accepts solid waste for disposal and which is subject to the tax under subsection a. of this section shall, within 20 days after the first acceptance of this waste, register with the director on forms prescribed by him.

c. If a return required by this act is not filed, or if a return when filed is incorrect or insufficient in the opinion of the director, the amount of tax due shall be determined by the director from such information as may be available. Notice of such determination shall be given to the taxpayer liable for the payment of the tax. Such determination shall finally and irrevocably fix the tax unless the person against whom it is assessed, within 30 days after receiving notice of such determination, shall apply to the director for a hearing, or unless the director on his own motion shall redetermine the same. After such hearing the director shall give notice of his determination to the person to whom the tax is assessed.

d. Any taxpayer who shall fail to file his return when due or to pay any tax when the same becomes due, as herein provided, shall be subject to such penalties and interest as provided in the "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised Statutes. If the Division of Taxation determines that the failure to comply with any provision of this section was excusable under the circumstances, it may remit such part or all of the penalty as shall be appropriate under such circumstances.

e. (1) Any person failing to file a return, failing to pay the tax, or filing or causing to be filed, or making or causing to be made, or giving or causing to be given any return, certificate, affidavit, representation, information, testimony or statement required or authorized by this act, or rules or regulations adopted hereunder which is willfully false, or failing to keep any records required by this act or rules and regulations adopted hereunder, shall, in addition to any other penalties herein or elsewhere prescribed, be guilty of a crime of the fourth degree.

(2) The certificate of the director to the effect that a tax has not been paid, that a return has not been filed, that information has not been supplied or that inaccurate information has been supplied pursuant to the provisions of this act or rules or regulations adopted hereunder shall be presumptive evidence thereof.

f. In addition to the other powers granted to the director in this section, he is hereby authorized and empowered:

(1) To delegate to any officer or employee of his division such of his powers and duties as he may deem necessary to carry out efficiently the provisions of this section, and the person or persons to whom such power has been delegated shall possess and may exercise all of said powers and perform all of the duties delegated by the director;

(2) To prescribe and distribute all necessary forms for the implementation of this section.

g. The tax imposed by this section shall be governed in all respects by the provisions of the "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised Statutes, except only to the extent that a specific provision of this section may be in conflict therewith.

C. 13:1E-96 State Recycling Fund; establishment; allocation of moneys.

5. a. The State Recycling Fund (hereinafter referred to as the "fund") is established as a nonlapsing, revolving fund. The fund shall be administered jointly by the Department of Energy and the Department of Environmental Protection, and shall be credited with all tax revenue collected by the division pursuant to section 4 of this supplementary act. Interest received on moneys in the fund and sums received as repayment of principal and interest on outstanding loans made from the fund shall be credited to the fund.

b. Moneys in the fund shall be allocated and used for the following purposes and no others:

(1) Not less than 45% of the estimated annual balance of the fund shall be used for the annual expenses of a 5-year program for recycling grants to municipalities. The amount of these grants shall be calculated, for the purposes of the first grant to a particular municipality, on the basis of the total number of tons of materials annually recycled from residential and commercial sources within that municipality. Thereafter, subsequent grants to a municipality shall be calculated on the basis of the increase in the total number of tons of such materials from the total in the preceding year, except that no such grant shall exceed $25.00 per ton of materials recycled. For the purpose of calculating subsequent annual grants to municipalities pursuant to this subsection, not less than 15% of the estimated annual balance of the fund shall be allocated on the basis of the total number of tons of wastepaper recycled in the preceding year, not less than 15% of the estimated annual balance of the fund shall be allocated on the basis of the total number of tons of glass recycled in the preceding year, and not less than 15% of the estimated annual balance of the fund shall be allocated on the basis of the total number of tons of other materials recycled in the preceding year.

To be eligible for a grant pursuant to this subsection, a municipality shall demonstrate that the materials recycled by the munici-

pal recycling program were not diverted from a commercial recycling program already in existence on the effective date of the ordinance establishing the municipal recycling program.

To be eligible for a subsequent annual grant pursuant to this subsection, a municipality shall demonstrate that at least two types of materials are currently recycled, or will be recycled in the succeeding grant year by the municipal recycling program. No recycling grant to any municipality shall be used for constructing or operating any facility for the baling of wastepaper or for the shearing, baling or shredding of ferrous or nonferrous materials;

(2) Not less than 20% of the estimated annual balance of the fund shall be used to provide low interest loans and to establish a sufficient reserve for a loan guarantee program for recycling businesses and industries;

(3) Not more than 10% of the estimated annual balance of the fund shall be used for State recycling program planning and program funding, including the administrative expenses thereof;

(4) Not more than 10% of the estimated annual balance of the fund shall be used for county and municipal recycling program planning and program funding, including the administrative expenses thereof; and

(5) Not less than 15% of the estimated annual balance of the fund shall be used for a public information and education program concerning recycling and anti-litter activities.

C. 13:1E-97 Rules and regulations.

6. a. The Commissioners of the Departments of Energy and Environmental Protection shall adopt, pursuant to the "Administrative Procedure Act", P. L. 1968, c. 410 (C. 52:14B–1 et seq.), such rules and regulations as are necessary to effectuate this supplementary act. These rules and regulations shall be proposed within 90 days of the effective date of this section, and thereafter adopted as provided in the "Administrative Procedure Act."

b. The director shall adopt, pursuant to the "Administrative Procedure Act," such rules and regulations as are necessary to effectuate this supplementary act.

C. 13:1E-98 Collection of tax as surcharge; order to increase tariffs.

7. a. The provisions of any law to the contrary notwithstanding, the owner or operator of any sanitary landfill facility may collect the tax imposed pursuant to this supplementary act as a surcharge on any tariff established pursuant to law for the solid waste disposal operations of the facility.

b. The Board of Public Utilities shall, within 60 days of the effective date of this supplementary act, issue an appropriate order increasing current tariffs established pursuant to law for solid waste collection operations by an amount equal to the total increase in the relevant solid waste disposal tariff pursuant to subsection a. of this section. In issuing this order, the board shall be exempt from the provisions of section 31 of P. L. 1962, c. 198 (C. 48:2–21.2).

C. 13:1E-99 Additional expenditures.

8. Any additional expenditures for the collection or disposal of solid waste made by any county or municipality as a result of the tax imposed pursuant to this supplementary act and any expenditure of revenues received by a municipality pursuant to section 5 hereof shall, for the purposes of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.), be considered an expenditure mandated by State law.

9. The Departments of Energy and Environmental Protection shall prepare a report concerning the implementation of this act, including any recommendations for amendments hereto deemed appropriate by the departments. This report shall be transmitted to the Governor and the Legislature by October 1, 1984.

10. This act shall take effect on January 1, 1982, except that section 6 hereof shall take effect immediately. Section 4 of this act shall expire on December 31, 1986.

Approved September 9, 1981.

CHAPTER 279

AN ACT concerning major hazardous waste facilities, amending the title of "An Act concerning the inspection of certain solid waste disposal facilities and supplementing the 'Solid Waste Management Act,' approved May 6, 1970 (P. L. 1970, c. 39, C. 13:1E–1 et seq.), as said short title was amended by P. L. 1975, c. 326," so that the same shall read "An act concerning the inspection of major hazardous waste facilities and supplementing the 'Solid Waste Management Act,' approved May 6, 1970 (P. L. 1970, c. 39, C. 13:1E–1 et seq.), as said short title was amended by P. L. 1975, c. 326," amending the body of said act, supplementing Title 13 of the Revised Statutes, and making an appropriation.

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

C. 13:1E-49 Short title.

1. Sections 1 through 43 inclusive of this act shall be known and may be cited as the "Major Hazardous Waste Facilities Siting Act."

C. 13:1E-50 Legislature's findings and declaration of policy.

2. The Legislature finds and declares that the proper treatment, storage or disposal of hazardous waste generated in this State is today the exception, rather than the rule; that the improper treatment, storage or disposal of hazardous waste results in substantial impairment of the environment and the public health; that insuring the proper treatment, storage or disposal of hazardous waste is a public purpose in the best interests of all citizens of this State; and that the only way to accomplish this purpose is to provide for the siting, design, construction, operation and use of environmentally acceptable major hazardous waste facilities.

The Legislature further finds and declares that certain environmentally sensitive areas must be preserved and therefore excluded from consideration as sites for any major hazardous waste facilities because the risk of irreversible ecological damage, despite the application of sound engineering practices, is too great to be tolerated.

The Legislature further finds and declares that the choice of hazardous waste disposal sites is now made, all too frequently, on an indiscriminate and illegal basis; that it is necessary to establish a mechanism for the rational siting of hazardous waste facilities; that the informed participation of the public and of elected and appointed officials at all levels of government is essential to establish this mechanism; that the proper siting, design, construction, operation and use of major hazardous waste facilities must be provided in a timely fashion; that these facilities should be totally or partially constructed above existing grade and physically accessible to inspection personnel, unless such construction is technologically or economically impracticable and the hazardous waste to be treated, stored or disposed of therein can be effectively monitored; and that major hazardous waste facilities should be privately operated and subject to strict governmental regulation, all as hereinafter provided.

C. 13:1E-51 Definitions.

3. As used in this act:

a. "Applicant" means the applicant for a registration statement and engineering design for a major hazardous waste facility;

b. "Application" means the application for a registration statement and engineering design for a major hazardous waste facility;

c. "Commission" means the Hazardous Waste Facilities Siting Commission established by section 4 of this act;

d. "Commissioner" means the Commissioner of Environmental Protection;

e. "Council" means the Hazardous Waste Advisory Council established by section 6 of this act;

f. "Criteria" means the criteria for the siting of new major hazardous waste facilities adopted by the department pursuant to section 9 of this act;

g. "Department" means the Department of Environmental Protection;

h. "Disclosure statement" means a statement submitted to the department by an applicant, which statement shall include:

(1) The names and addresses of all officers, directors, or partners of the business concern seeking a registration and engineering design approval and all persons or business concerns holding more than 10% of the equity in or debt liability of that business concern;

(2) The names and addresses of all officers, directors, or partners of any business concern disclosed in the statement and the names and addresses of all persons holding more than 10% of the equity in or the debt liability of any business concern so disclosed;

(3) The name and address of any company which collects, treats, stores or disposes of hazardous waste in which the business concern seeking a registration and engineering design approval holds an equity interest;

(4) A description of the experience and credentials in, including any past or present licenses for, the collection, treatment, storage or disposal of hazardous waste possessed by the key employees, officers, directors, or partners of the business concern seeking a registration and engineering design approval;

(5) A listing and explanation of any notices, administrative orders or license revocations issued by any state or federal authority since January 1, 1976 which indicate a violation of any law or rule and regulation relating to the collection, treatment, storage or disposal of hazardous waste by the business concern seeking a registration and engineering design approval or by any key employee, officer, director, or partner thereof;

(6) A listing and explanation of any judgment of liability or conviction which was rendered, pursuant to any state or federal

statute or local ordinance concerning the collection, treatment, storage or disposal of hazardous waste, against the business concern seeking a registration and engineering design approval or against any key employee, officer, director, or partner thereof; and

(7) Any other information the department may require that relates to the competency or reliability of the applicant;

i. "Engineering design" means the specifications and parameters approved by the department for the construction and operation of a major hazardous waste facility;

j. "Environmental and health impact statement" means a statement of likely environmental and public health impacts resulting from the construction and operation of a major hazardous waste facility, and includes an inventory of existing environmental conditions at the site, a project description, an assessment of the impact of the project on the environment and on public health, a listing of unavoidable environmental and public health impacts, and steps to be taken to minimize environmental and public health impacts during construction and operation;

k. "Hazardous waste" means any waste or combination of wastes which poses a present or potential threat to human health, living organisms or the environment including, but not limited to, waste material that is toxic, carcinogenic, corrosive, irritating, sensitizing, biologically infectious, explosive or flammable, and any waste so designated by the United States Environmental Protection Agency. Hazardous waste does not include radioactive waste;

l. "Hazardous waste facility" means any area, plant or other facility for the treatment, storage or disposal of hazardous waste, including loading and transportation facilities or equipment used in connection with the processing of hazardous wastes; "major hazardous waste facility" means any commerical hazardous waste facility which has a total capacity to treat, store or dispose of more than 250,000 gallons of hazardous waste, or the equivalent thereof, as determined by the department, except that any facility which would otherwise be considered a major hazardous waste facility pursuant to this subsection solely as the result of the recycling or rerefining of any hazardous wastes which are or contain gold, silver, osmium, platinum, palladium, iridium, rhodium, ruthenium or copper shall not be considered a major hazardous waste facility for the purposes of this act; "existing major hazardous waste facility" means any major hazardous waste facility which was legally in operation or upon which construction had legally commenced prior to the effective date of this act; "new major

hazardous waste facility" means any major hazardous waste facility other than an existing major hazardous waste facility; "commercial hazardous waste facility" means any hazardous waste facility which accepts hazardous waste from more than one generator for storage, treatment or disposal at a site other than the site where the hazardous waste was generated;

m. "Hazardous waste industry" means any industry which operates a hazardous waste facility or which proposes to construct or operate a hazardous waste facility;

n. "Owner or operator" means and includes, in addition to the usual meanings thereof, every owner of record of any interest in land whereon a major hazardous waste facility is or has been located, and any person or corporation which owns a majority interest in any other corporation which is the owner or operator of any major hazardous waste facility;

o. "Plan" means the Major Hazardous Waste Facilities Plan adopted by the commission pursuant to section 10 of this act;

p. "Registration statement" or "registration" means the operating license, approved by the department, for a major hazardous waste facility; "registrant" means the person to whom such approval was granted.

C. 13:1E-52 Hazardous Waste Facilities Siting Commission; establishment; membership; appointment; terms; additional members; removal; oath; bond; compensation; minutes.

4. a. There is established in the Executive Branch of the State Government a public body corporate and politic, with corporate succession, to be known as the Hazardous Waste Facilities Siting Commission. For the purpose of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the commission is allocated within the Department of Environmental Protection, but, notwithstanding that allocation, the commission shall be independent of any supervision or control by the department or by the commissioner or any officer or employee thereof. The commission shall constitute an instrumentality of the State exercising public and essential governmental functions, and the exercise by the commission of the powers conferred by this or any other act shall be deemed and held to be an essential governmental function of the State.

b. The commission shall consist of nine members, except as otherwise provided in subsection c. of this section. Three of these members shall be county or municipal elected or appointed officials at the time of their appointment, three shall be employed by an

industrial firm, and three shall be representatives of environmental or public interest organizations. Each of these members shall be appointed by the Governor, with the advice and consent of the Senate, for a term of 3 years, provided that of the members of the commission first appointed by the Governor, three shall serve for terms of 1 year, three for terms of 2 years, and three for terms of 3 years, so that one member from each of the three categories of membership shall be appointed to serve for a term of each such duration. Each of these members 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. Whenever the commission considers the recommendations of an administrative law judge pursuant to subsection a. of section 11 hereof, two additional voting members shall be appointed to the commission. One of the additional members shall be appointed by the governing body of the county wherein the proposed major hazardous waste facility site is located, and the other shall be appointed by the governing body of the municipality wherein such site is located. In the event that such site is located in more than one county or municipality, each of the affected county and municipal governing bodies shall appoint an additional member of the commission, except that all of such county appointments shall share a single vote, and all of such municipal appointments shall share a single vote.

d. Each member may be removed from office by the appointing authority, for cause and after opportunity for a hearing, and may be suspended by the appointing authority pending the completion of the hearing. Each member who shall miss three consecutive meetings of the commission without being excused for good cause by the chairman shall be deemed to have vacated his office.

e. Each member of the commission shall, before entering upon his duties, 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 these oaths shall be filed in the office of the Secretary of State.

f. The members of the commission shall elect from among their number a chairman, who shall schedule, convene and chair commission meetings, and a vice-chairman, who shall act as chairman in his absence. The members of the commission shall appoint an

executive director, who shall be the chief administrative officer and secretary of the commission. The executive officer shall serve at the pleasure of the commission, and shall be a person qualified by training and experience to perform the duties of his office.

g. The powers of the commission shall be vested in the members thereof in office, and a majority of the total authorized membership of the commission shall be required to exercise its powers at any meeting thereof.

h. Each member of the commission shall execute a bond to be conditioned upon the faithful performance of his duties in such form and amount as may be prescribed by the State Treasurer. The bonds shall be filed in the Office of the Secretary of State. At all times thereafter, the commission members shall maintain the bonds in full force. The commission shall pay the cost of the bonds.

i. The members of the commission shall serve without compensation, but the commission may, within the limits of funds appropriated or otherwise made available therefor, reimburse members for actual expenses necessarily incurred in the discharge of their official duties.

j. A true copy of the minutes of every meeting of the commission shall be prepared and forthwith delivered by and under the certification of the secretary thereof to the Governor. No action taken at the meeting by the commission shall have effect until 10 days, Saturdays, Sundays, and public holidays excepted, after the copy of the minutes shall have been so delivered, unless during the 10-day period, the Governor shall approve the minutes, in which case the action shall become effective upon that approval. If, in the 10-day period, the Governor returns the copy of the minutes with a veto of any action taken by the commission at that meeting, the action shall be of no effect.

C. 13:1E-53 Powers of commission.

5. The commission shall have the following powers:

a. To adopt bylaws for the regulation of its affairs and the conduct of its business;

b. To adopt and have a seal and to alter the same at its pleasure;

c. To sue and be sued;

d. To enter into contracts upon such terms and conditions as the commission shall determine to be reasonable, and to pay or compromise any claim arising therefrom;

e. To call to its assistance and avail itself of the services of such employees of any State, county or municipal department, board,

commission or agency as may be required and made available for such purposes;

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

g. To employ an executive director, consulting engineers, architects, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the commission to carry out the purposes of this act, and to fix and pay their compensation from funds available to the commission therefor, all without regard to the provisions of Title 11, Civil Service, of the Revised Statutes;

h. To hold public meetings or hearings within this State on any matter related to the need for, or the siting of, major hazardous waste facilities;

i. To do and perform any acts and things authorized by this act under, through or by means of its own officers, agents and employees, or by contract with any person;

j. To adopt, pursuant to the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.) rules and regulations establishing eligibility standards to be utilized by the department in granting exemptions pursuant to subsection e. of section 12 of this act.

C. 13:1E-54 Hazardous Waste Advisory Council; membership; appointment; quorum; meetings; compensation.

6. a. There is established in the department a Hazardous Waste Advisory Council which shall consist of 13 members appointed by the Governor with the advice and consent of the Senate. Each of these members shall be appointed for a term of 3 years, provided that of the members of the council first appointed by the Governor, four shall serve for terms of 1 year, five shall serve for terms of 2 years, and four shall serve for terms of 3 years. Of these members, three shall be appointed from persons recommended by recognized environmental or public interest organizations; two from persons recommended by recognized organizations of municipal elected and appointed officials; two from persons recommended by recognized organizations of county elected and appointed officials; one from persons recommended by recognized community organizations; one from persons recommended by recognized organizations of firefighters; one from persons recommended by recognized organiza-

tions of industries which utilize on-site facilities for the treatment, storage or disposal of hazardous waste; one from persons recommended by recognized organizations of industries which utilize major hazardous waste facilities for the treatment, storage or disposal of hazardous waste; one from persons recommended by recognized organizations of persons licensed by the department to transport hazardous waste, or by individual licensed hazardous waste transporters; and one from persons recommended by recognized organizations of persons licensed by the department to operate major hazardous waste facilities, or by individual licensed major hazardous waste facility operators. In the event that no recommendations for a particular category of membership are made to the Governor within 60 days of the effective date of this act, in the case of the initial appointments, or within 60 days of the date of the expiration of the term of office of any member or the occurrence of any vacancy, in the case of subsequent appointments, the Governor shall appoint as a member or members for that category of membership such person or persons whom he believes shall be representative thereof.

b. A majority of the membership of the council shall constitute a quorum for the transaction of council business. Action may be taken and motions and resolutions adopted by the council at any meeting thereof by the affirmative vote of a majority of the full membership of the council.

c. The council shall meet regularly as it may determine, and shall also meet at the call of the chairman of the commission or the commissioner.

d. The council shall appoint a chairman from among its members and such other officers as may be necessary. The council may, within the limits of any funds appropriated or otherwise made available to it for this purpose, appoint such staff or hire such experts as it may require.

e. Members of the council shall serve without compensation, but the council may, within the limits of funds appropriated or otherwise made available for such purposes, reimburse its members for necessary expenses incurred in the discharge of their official duties.

C. 13:1E-55 Council's duties.

7. The council shall:

a. Advise the commission concerning the preparation and adoption of the plan, the proposal and adoption, by the commission, of all sites for major hazardous waste facilities, and the implementation of the public information program;

b. Advise the department concerning the preparation and adoption of criteria for the siting of new major hazardous waste facilities and make recommendations for departmental action on applications for the approval of registration statements and engineering designs for new major hazardous waste facilities; and

c. Review all matters submitted to it by the commission or the department and state its position on the matter within 60 days of the submission thereof.

C. 13:1E-56 Council's powers.

8. The council may:

a. Review any matter relating to the siting, licensing, construction, operation or closure of major hazardous waste facilities and to transmit such recommendations thereon to the commission or to the department as it may deem appropriate;

b. Hold public meetings or hearings within this State on any matter related to the siting, licensing, construction, operation or closure of major hazardous waste facilities; and

c. Call to its assistance and avail itself of the services of such employees of any State, county or municipal department, board, commission or agency as may be required and made available for such purposes.

C. 13:1E-57 Criteria for siting hazardous waste facilities.

9. a. The department shall, within 1 year of the effective date of this act and in consultation with the council, prepare, adopt and transmit to the commission criteria for the siting of new major hazardous waste facilities. Such criteria shall be designed to prevent any significant adverse environmental impact resulting from the location or operation of a major hazardous waste facility, including any significant degradation of the surface or ground waters of this State, and shall prohibit the location or operation of any new major hazardous waste facility, at a minimum, within:

(1) 2,000 feet of any structure which is routinely occupied by the same person or persons more than 12 hours per day, or by the same person or persons under the age of 18 for more than 2 hours per day, except that the commission may permit the location of a major hazardous waste facility less than 2,000 feet, but in no case less than 1,500 feet, from such structures upon showing that such a location would not present a substantial danger to the health, welfare, and safety of the persons occupying or inhabiting such structures;

(2) Any flood hazard area delineated pursuant to P. L. 1962, c. 19 (C. 58:16A–50 et seq.);

(3) Any wetlands designated pursuant to P. L. 1970, c. 272 (C. 13:9A–1 et seq.);

(4) Any area where the seasonal high water table rises to within 1 foot of the surface, unless the seasonal high water table can be lowered to more than 1 foot below the surface by permanent drainage measures approved by the department; and

(5) Any area within a 20 mile radius of a nuclear fission power plant at which spent nuclear fuel rods are stored on-site.

b. The provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), or any other law to the contrary notwithstanding, the department shall prepare and adopt criteria for the siting of new major hazardous waste facilities as follows:

(1) Within 6 months of the effective date of this act, the department shall prepare and make available to all interested persons preliminary criteria for the siting of new major hazardous waste facilities;

(2) Within 8 months of the effective date of this act, the department shall conduct public meetings on the preliminary criteria in the several geographic areas of this State. Notice of these meetings shall be published, at least 30 days in advance thereof, in at least two newspapers circulating in the specific geographic area where the meeting will be held. Notice of these meetings shall also be transmitted, at least 30 days in advance thereof, to every municipal clerk and environmental commission within the specified geographic area where the meeting will be held.

(3) Within 9 months of the effective date of this act, the department shall consider and evaluate any comments made at the public meetings, make such revisions to the preliminary criteria as it deems necessary or appropriate, and schedule a public hearing on the revised criteria. Notice of this hearing shall be published, at least 30 days in advance thereof, in at least four newspapers of general circulation in this State;

(4) Within 10 months of the effective date of this act, the department shall conduct the public hearing on the revised criteria; and

(5) Within 1 year of the effective date of this act, the department shall consider and evaluate any comments made at the public hearing, make such changes to the revised criteria as it deems necessary or appropriate, and adopt and transmit to the commission final criteria for the siting of new major hazardous waste facilities.

C. 13:1E-58 Plan; contents; adoption.

10. a. The commission shall prepare and adopt, in consultation with the council and within 1 year of the effective date of this act, a Major Hazardous Waste Facilities Plan. This plan shall be revised and updated every 3 years, or more frequently when, in the discretion of the commission, changes in existing hazardous waste facilities, the amount or type of hazardous waste generated in this State, or technological advances so require.

b. The plan shall include, but need not be limited to:

(1) An inventory and appraisal, including the identity, location and life expectancy, of all hazardous waste facilities located within the State, and the identity of every person engaging in hazardous waste collection, treatment, storage or disposal within the State;

(2) A current inventory of the sources, composition and quantity of the hazardous waste generated within the State;

(3) Projections of the amounts and composition of hazardous waste to be generated within the State in each of the next 3 years;

(4) A determination of the number and type of new major hazardous waste facilities needed to treat, store or dispose of hazardous waste in this State;

(5) An analysis of the ability of all existing facilities to meet current and proposed State and Federal environmental, health and safety standards and their performance in meeting these standards;

(6) An analysis of transportation routes and transportation costs from hazardous waste generators to existing or available suitable sites for major hazardous waste facilities;

(7) Procedures to encourage codisposal of solid and hazardous waste, source reduction, materials recovery, energy recovery, waste exchanging and recycling and to discourage all inappropriate disposal techniques, and to minimize the amount of hazardous waste to be treated, stored or disposed of in this State; and

(8) A regional analysis of existing and necessary major hazardous waste facilities and recommended procedures for coordinating major hazardous waste facilities planning on a regional basis.

c. The provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), or any other law to the contrary notwithstanding, the commission shall prepare and adopt the plan as follows:

(1) Within 6 months of the effective date of this act, the commission shall prepare and make available to all interested persons a proposed plan;

(2) Within 8 months of the effective date of this act, the commission shall conduct public hearings in the several geographic areas of the State on the proposed plan. Notice of these hearings shall be published at least 30 days in advance thereof in at least two newspapers circulating in the specific geographic area where the hearing will be held; and

(3) Within 1 year of the effective date of this act, the commission shall consider any comments made at the public hearings, make such revisions to the proposed plan as it deems necessary or appropriate, and adopt the plan.

d. Within 90 days of the effective date of this act, the commission shall, in consultation with the department and the council, establish a public information program which addresses:

(1) The nature and dimension of the hazardous waste problem;

(2) The need for the proper and expeditious siting of new major hazardous waste facilities;

(3) The respective responsibilities of the commission, department and council pursuant to this act; and

(4) The necessity and opportunities for public participation as provided herein.

e. In preparing or revising the plan pursuant to this section, the commission may direct that the department provide or prepare any data or other information which the commission deems necessary for the performance of its responsibilities pursuant to this act.

C. 13:1E-59 Site designations; proposal and adoption.

11. a. The commission shall, in consultation with the council, propose and adopt site designations for the number and type of new major hazardous waste facilities determined to be necessary in the plan.

The provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.) or any other law to the contrary notwithstanding, these sites shall be proposed and adopted in the following manner:

(1) Within 18 months of the effective date of this act, or within 6 months of the receipt of the criteria from the department, whichever is sooner, the commission shall propose sites for new major hazardous waste facilities, transmit written notice thereof, by certified mail, to the governing body, board of health, planning

board and environmental commission of the affected municipality, and provide the governing body with a grant, pursuant to the provisions of subsection d. of this section, to conduct a site suitability study of the proposed site. In the event that a site is located in a county wherein has been established a county health department, such notice shall also be transmitted thereto;

(2) Within 6 months of the receipt of a grant from the commission, the governing body of the affected municipality shall complete and transmit to the commission the site suitability study on the proposed site;

(3) Within 45 days of the receipt by the commission of the municipal site suitability study, an adjudicatory hearing concerning the proposed site shall be conducted by an administrative law judge. The affected municipality shall be a party of interest to such hearing, and shall have the right to present testimony and cross-examine witnesses. Intervention in this hearing by any other person shall be as provided by the "Administrative Procedure Act";

(4) Within 30 days of the close of such hearing, the administrative law judge shall transmit his recommendations for action on the proposed site to the commission. The judge shall not favorably recommend the proposed site as suitable for a major hazardous waste facility unless he finds clear and convincing evidence that locating a major hazardous waste facility on the proposed site will not constitute a substantial detriment to the public health, safety and welfare of the affected municipality; and

(5) Within 30 days of the receipt thereof, the commission shall affirm, conditionally affirm or reject the recommendations of the administrative law judge and adopt or withdraw the proposed site. Such action by the commission shall be based upon the potential for significant impairment of the environment or the public health, shall be considered to be final agency action thereon for the purposes of the "Administrative Procedure Act" and shall be subject only to judicial review as provided in the Rules of Court.

If the commission fails to act upon the recommendations of the administrative law judge as required in this subsection, the failure shall constitute commission affirmance of those recommendations.

b. The commission may designate alternate or additional sites for new major hazardous waste facilities, at the request of any hazardous waste industry, and the requestor shall have the burden of proof concerning the suitability of the site in proceedings conducted pursuant to subsection a. of this section.

c. The commission may, upon its own motion or at the request of the governing body of any affected municipality, repeal or withdraw any adopted site for a new major hazardous waste facility if, in the discretion of the commission, such action is consistent with the purposes and provisions of this act.

d. The commission may make grants to municipalities for conducting site suitability studies of proposed sites for major hazardous waste facilities, pursuant to this section, from any State, Federal or other funds which may be appropriated or otherwise made available to it for this purpose.

e. In the event that any site proposed by the commission pursuant to this section is located in more than one municipality, the notices required herein shall be transmitted to each affected municipality or agency thereof, the grant awarded for the municipal site suitability study shall be made to all of the affected municipalities, the site suitability study shall be conducted jointly by all of the affected municipalities, and all of the affected municipalities shall be considered a single party for the purposes of the adjudicatory hearing held pursuant to this section.

C. 13:1E-60 Approval for registration statement and engineering design.

12. a. No person shall commence construction of any major hazardous waste facility on or after the effective date of this act unless that person shall have obtained the approval of the department for the registration statement and engineering design for such facility prior to construction thereof.

b. The department shall review all applications for registration statements and engineering designs for new major hazardous waste facilities in consultation with the council. The review shall include the consideration of a disclosure statement, which shall be filed by the applicant; the review of an investigative report, based in part upon that statement, which report shall be prepared by the Attorney General; and the evaluation of an environmental and health impact statement, which statement shall be prepared by the commission at the applicant's expense.

In addition to all other standards and conditions pertaining to an application for registration and engineering design approval, no such approval shall be granted by the department for a new major hazardous waste facility unless the department finds that:

(1) The applicant, in its prior performance record in the treatment, storage or disposal of hazardous waste, exhibits sufficient reliability, expertise, and competency to operate a major hazard-

ous waste facility given the potential for harm to human health and the environment which could result from the irresponsible operation of the proposed facility. In no case may approval be granted to the applicant if any person shown to be a party to the application by the disclosure statement has been convicted of a crime for any act or omission related to the collection, treatment, storage or disposal of hazardous waste in this or any other jurisdiction within 10 years of the date on which the application was filed;

(2) The environmental and health impact statement shows that the location and design of the proposed facility will pose no significant threat to human health or to the environment if properly managed in accordance with all relevant Federal and State laws and all rules and regulations adopted pursuant thereto; and

(3) The proposed facility would be operated by the proposed operator on a site designated by the commission for that particular type of major hazardous waste facility.

c. The provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), or any other law to the contrary notwithstanding, the review of all applications for registration and engineering design approval for new major hazardous waste facilities shall be conducted in the following manner:

(1) Not less than 90 days prior to filing an application for registration and engineering design approval, the applicant shall submit to the department and the governing body of the affected municipality a letter of intent to apply for registration and engineering design approval, a disclosure statement, and a brief description of the nature of the proposed facility;

(2) Within 60 days of the receipt of a letter of intent, the department, in consultation with the governing body of the affected municipality and the council, shall inform the applicant whether the disclosure statement shows sufficient indicia of competency and reliability in the treatment, storage or disposal of hazardous waste management to warrant the submission of an application for registration and engineering design approval. Such indicia shall include the character of the applicant and the applicant's history of compliance with or violation of all relevant laws, rules, and regulations concerning hazardous waste management in this State or elsewhere;

(3) The department shall transmit, by certified mail, a complete copy of any application submitted pursuant to this subsection to

the governing body, board of health, planning board and environmental commission of the affected municipality;

(4) Within 6 months of the receipt of such notice, the affected municipality shall conduct and transmit to the department a review of the proposed facility and operator, including a site plan review conducted in the manner provided by the "Municipal Land Use Law," P. L. 1975, c. 291 (C. 40:55D–1 et seq.). The cost of the municipal review shall be borne by the applicant, except that such cost shall not exceed $15,000.00 per application. In preparing this review, the affected municipality may request and receive any reasonable and relevant information from the applicant or the department;

(5) Within 8 months of the receipt of a complete application, the department shall reject the application or grant tentative approval thereof, which tentative approval shall establish design and operating conditions for the proposed major hazardous waste facility, requirements for the monitoring thereof, and any other conditions required under State rules and regulations;

(6) All tentative approvals of applications granted pursuant to this subsection shall be transmitted to the applicant and to the affected municipality and shall be accompanied by a fact sheet setting forth the principal facts and the significant factual, legal, methodological, and policy questions considered in granting the tentative approval. The fact sheet shall include a description of the type of facility or activity which is the subject of the tentative approval; the environmental and health impact statement prepared to be treated, stored, or disposed of at the proposed facility; a brief summary of the basis for the conditions of the tentative approval; the environmental and health impact statement prepared for the proposed facility and a summary as to how the statement demonstrates that the proposed facility, subject to such conditions as may have been imposed, would not create a significant adverse impact upon the public health or the environment, and, in the event that the granting of the tentative approval is contrary to the findings of the municipal review of the application, the department's reasons for the rejection of those findings;

(7) Within 45 days of the granting of a tentative approval of an application, an adjudicatory hearing on the proposed facility and operator shall be conducted by an administrative law judge. The affected municipality shall be a party of interest to such hearing, and shall have the right to present testimony and cross-examine

witnesses. Intervention in this hearing by any other person shall be as provided in the "Administrative Procedure Act";

(8) Within 30 days of the close of such hearing, the administrative law judge shall transmit his recommendations for action on the application to the department. The judge shall not recommend approval of an application unless he finds clear and convincing evidence that the disclosure statement and application for a registration statement establish that the owner and operator of the proposed facility possess sufficient financial resources to construct, operate, and guarantee maintenance and closure of the facility, and that the facility will not constitute a substantial detriment to the public health, safety and welfare of the affected municipality; and

(9) Within 60 days of the receipt thereof, the department shall affirm, conditionally affirm or reject the recommendations of the administrative law judge and grant final approval to or deny the application. Such approval or denial of an application by the department shall be considered to be final agency action thereon for the purposes of the "Administrative Procedure Act," and shall be subject only to judicial review as provided in the Rules of Court.

If the department fails to act upon the recommendations of the administrative law judge as required by this subsection, the failure shall constitute departmental affirmance of the recommendations.

d. The department may charge and collect, in accordance with a fee schedule adopted as a rule and regulation pursuant to the "Administrative Procedure Act," such reasonable fees as may be necessary to cover the costs of reviewing applications pursuant to this section.

e. The department may, upon request of an owner or operator and after public hearing, exempt a major hazardous waste facility below a certain size or of a particular type from being considered a major hazardous waste facility for the purposes of this section, provided that such exemption is consistent with the eligibility standards contained in rules and regulations adopted by the commission.

f. In the event that any application reviewed by the department pursuant to this section is for a registration statement and engineering design approval for a proposed major hazardous waste facility on a site located in more than one municipality, the notices required herein shall be transmitted to each affected municipality or agency thereof, the municipal review of the proposed facility and operator shall be conducted jointly by all of the affected

municipalities, and all of the affected municipalities shall be considered a single party for the purposes of the adjudicatory hearing held pursuant to this section.

C. 13:1E-61 Construction and design of new hazardous waste facilities; approval of registration statements and engineering designs which do not meet requirements under certain conditions.

13. a. The provisions of any other law to the contrary notwithstanding, all new major hazardous waste facilities shall be:

(1) Totally or partially constructed above existing grade;

(2) Physically accessible to inspection personnel;

(3) Designed to allow 99.9% extraction of all hazardous waste stored or disposed of therein; and

(4) Designed to prevent any significant adverse impact on the environment or public health.

b. Registration statements and engineering designs for secure landfills or other facilities which do not meet the requirements of criterion (1) or (2) of subsection a. of this section may be approved by the department only upon a finding that:

(1) All alternatives to the proposed facility design are technologically or economically impracticable;

(2) All hazardous waste to be treated, stored or disposed of in the proposed facility can be effectively monitored;

(3) The requirements of criteria (3) and (4) of subsection a. of this section will not be violated; and

(4) Such approval is consistent with the purposes and provisions of this act.

C. 13:1E-62 Liability.

14. a. Every owner or operator of a major hazardous waste facility shall be jointly and severally strictly liable, without regard to fault, for:

(1) All direct and indirect damages, no matter by whom sustained, proximately resulting from the operations or closure of the facility, including any personal injuries or medical expenses incurred as a result thereof; and

(2) The cleanup and removal of any discharge of a hazardous substance, as defined in section 3 of P. L. 1976, c. 141 (C. 58:10–23.11b), which occurs at the facility;

b. The liability imposed pursuant to this section shall be subject only to the monetary limits and defenses provided in section 8 of P. L. 1976, c. 141 (C. 58:10–23.11g).

C. 13:1E-63 Construction and operation of facility without regard to zoning ordinance; inspection by department.

15. The owner or operator of any major hazardous waste facility which has received departmental approval of the registration statement and engineering design for the such facility may construct and operate that facility without regard to any local zoning ordinance, and the use shall not be required to be submitted to or approved by any county or municipal governing body, zoning or planning board or other agency, except as otherwise expressly provided herein. All major hazardous waste facilities shall be constructed in compliance with the "State Uniform Construction Code Act," P. L. 1975, c. 217 (C. 52:27D–119 et seq.). The department shall conduct inspections during construction under the supervision of the State Uniform Construction Code Office.

C. 13:1E-64 Inspections by health boards; violations; penalties imposed; training programs for inspectors.

16. a. The local board of health or county health department, as the case may be, shall conduct weekly inspections of major hazardous waste facilities in order to determine compliance with the provisions of the registration statement or engineering design for the facility and of all relevant Federal or State laws or any rule and regulation adopted pursuant thereto. These inspections shall be conducted by the appropriate health or code enforcement official, as the case may be, shall commence with the commencement of construction of such facility, and shall continue for 30 years following the closure thereof. Prior to the commencement of operation of any major hazardous waste facility, the department, in conjunction with the Department of Health, shall provide for the training of local or county health personnel to conduct the inspections required pursuant to this section.

b. In the event that any municipal or county inspection of a major hazardous waste facility discloses a violation of any law or rule and regulation adopted pursuant thereto, the local board of health or the county health department, as the case may be, may institute an action in a court of competent jurisdiction for injunctive relief to restrain the violation and for such other relief as the court shall deem proper. The court may proceed in such action in a summary manner. Neither the institution of such action nor any of the proceedings therein shall relieve any party to the proceedings from other fines or penalties prescribed by law for the violation. One-half of any penalty imposed upon the owner or operator of a major hazardous waste facility as the result

of a violation disclosed in any municipal or county inspection thereof shall, the provisions of any law to the contrary notwithstanding, be awarded to the local board of health or county health department, as the case may be, which conducted the inspection.

c. The department, in consultation with the commission, shall conduct or cause to be conducted a training program for municipal or county officials performing inspections of major hazardous waste facilities pursuant to this section.

C. 13:1E-65 Right of entry.

17. The department and the local board of health, or the county health department, as the case may, shall have the right to enter any major hazardous waste facility at any time in order to determine compliance with the registration statement and engineering design, and with the provisions of all applicable laws or rules and regulations adopted pursuant thereto.

C. 13:1E-66 Enforcement.

18. Subsequent to the effective date of this act, any major hazardous waste facility which fails to comply with the provisions of any Federal or State law, or of any rule and regulation adopted pursuant thereto shall be subject to enforcement and closure actions in the manner provided by law.

C. 13:1E-67 Award for persons supplying information.

19. a. Any person who supplies any information which proximately results in the arrest and conviction of any other person for the illegal treatment, storage or disposal of hazardous waste shall be awarded one-half of any penalty collected as a result thereof.

b. The Attorney General shall adopt, pursuant to the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), such rules and regulations as are necessary to implement this section.

C. 13:1E-68 Requirement to provide evidence of financial responsibility; post-closure monitoring.

20. The department shall require that the owner or operator of every major hazardous waste facility provide evidence of financial responsibility for the duration of the operation of the facility and establish a mechanism to defray closing costs and post-closure monitoring expenses for such period of time as may be deemed necessary by the department, whether by escrow accounts, performance bonds or otherwise. Post-closure monitoring of major

hazardous waste facilities shall be assumed by the department 30 years subsequent to the closure of a particular facility.

C. 13:1E-69 Conservator; appointment; procedure.

21. a. Notwithstanding any other provision of this act or any other law to the contrary:

(1) Upon the revocation by the department of a registration; or

(2) Upon, in the discretion of the commission, the suspension by the department of a registration for a period of in excess of 120 days, and notwithstanding the pendency of any appeal therefrom, the commission shall appoint and constitute a conservator to, among other things, take over and into his possession and control all the property and business of the registrant relating to the major hazardous waste facility.

b. The commission may proceed in a conservatorship action in a summary manner or otherwise and shall have the power to appoint and remove one or more conservators and to enjoin the former or suspended registrant from exercising any of its privileges, from collecting or receiving any debts and from paying out, selling, assigning or transferring any of its property to other than a conservator, except as the commission may otherwise order. The commission shall have such further powers as shall be appropriate for the fulfillment of the purposes of this act.

c. Every conservator shall, before assuming his duties, execute and file a bond for the faithful performance of his duties payable to the commission in the office of the commission with such surety and in such form as the commission shall approve and in such amount as the commission shall prescribe.

d. When more than one conservator is appointed pursuant to this section, the provisions of this act applicable to one conservator shall be applicable to all; the debts and property of the former or suspended registrant may be collected and received by any of them; and the powers and rights conferred upon them shall be exercised by a majority of them.

e. The governing body of a municipality or county in which there is located a major hazardous waste facility is authorized to petition a court of competent jurisdiction to impose a conservatorship on a facility which is causing a substantial threat to the health, safety, and welfare of the residents of such a municipality or county. Except in the event of an emergency, such an action shall not be taken unless 30 days' written notice shall have been given to the commission, which notice shall indicate the intention of the affected

municipality or county to request this action and state the reasons therefor. If the commission fails to act to the satisfaction of the affected municipality or county within the 30 day period, the conservatorship action may be filed and the court shall determine whether a conservatorship should be imposed on the facility.

C. 13:1E-70 Powers and duties of conservator.

22. a. Upon his appointment, the conservator shall become vested with the title of all the property of the former or suspended registrant relating to the major hazardous waste facility, subject to any and all valid liens, claims, and encumbrances. The conservator shall have the duty to conserve and preserve the assets so acquired to the end that such assets shall continue to be operated on a sound and businesslike basis.

b. Subject to the general supervision of the commission and pursuant to any specific order it may deem appropriate, a conservator shall have power to:

(1) Take into his possession all the property of the former or suspended registrant relating to the major hazardous waste facility, including its books, records and papers;

(2) Institute and defend actions by or on behalf of the former or suspended registrant;

(3) Settle or compromise with any debtor or creditor of the former or suspended registrant, including any taxing authority;

(4) Continue the business of the former or suspended registrant and to that end enter into contracts, borrow money and pledge, mortgage or otherwise encumber the property of the former or suspended registrant as security for the repayment of the conservator's loans; except that such power shall be subject to any provisions and restrictions in any existing credit documents;

(5) Hire, fire and discipline employees;

(6) Reach agreements with the department for the cleanup or removal of any discharge of a hazardous substance, or make any payment for any direct or indirect damage claim pursuant to the provisions of P. L. 1976, c. 141 (C. 58:10–23.11 et seq.).

c. Except during the pendency of a suspension or during the pendency of any appeal from any action or event set forth in section 21 of this act which precipitated the conservatorship or in instances in which the commission finds that the interests of justice so require, the conservator, subject to the prior approval of and in accordance with such terms and conditions as may be prescribed by the commission and after appropriate prior con-

sultation with the former registrant as to the reasonableness of such terms and conditions, shall endeavor to and be authorized to sell, assign, convey or otherwise dispose of in bulk, subject to any and all valid liens, claims, and encumbrances, all the property of a former registrant relating to the major hazardous waste facility only upon prior written notice to all creditors and other parties in interest and only to such persons who shall qualify as a major hazardous waste facility owner or operator pursuant to the provisions of this act and any rules and regulations adopted pursuant hereto. Prior to any such sale, the former registrant shall be granted, upon request, a summary review by the commission of such proposed sale.

d. The commission may direct that the conservator, for an indefinite period of time, retain the property and continue the business of the former or suspended registrant relating to the major hazardous waste facility. During such period of time or any period of operation by the conservator, he shall pay when due, without in any way being personally liable, all secured obligations and shall not be immune from foreclosure or other legal proceedings to collect the secured debt, nor with respect thereto shall the conservator have any legal rights, claims, or defenses other than those which would have been available to the former or suspended registrant.

C. 13:1E-71 Compensation for services.

23. In any proceeding pursuant to section 21 of this act, the commission shall allow a reasonable compensation for the services, costs and expenses in the conservatorship action of the conservator, the attorney for the conservator, the appraiser, the auctioneer, the accountant and such other persons as the commission may appoint in connection with the conservatorship action.

C. 13:1E-72 Assumption of debts of former registrant.

24. As an incident of its prior approval pursuant to subsection c. of section 22 of this act, of the sale, assignment, conveyance or other disposition in bulk of all property of the former registrant relating to the major hazardous waste facility, the commission may, in its discretion, require that the purchaser thereof assume in a form and substance acceptable to the commission all of the outstanding debts of the former registrant that arose from or were based upon the operation of major hazardous waste facility.

C. 13:1E-73 Payments by conservator; approval.

25. No payment of net earnings during the period of the conservatorship may be made by the conservator without the prior

approval of the commission, which may, in its discretion, direct that all or any part of same be paid either to the suspended or former registrant or to the Spill Compensation Fund pursuant to the "Spill Compensation and Control Act," P. L. 1976, c. 141 (C. 58:10–23.11 et seq.).

C. 13:1E-74 Payment to former or suspended registrant.

26. Following any sale, assignment, conveyance or other disposition in bulk of all the property subject to the conservatorship, the net proceeds therefrom, if any, after payment of all obligations owing to the State of New Jersey and any political subdivision thereof and of those allowances set forth in section 23 of this act, shall be paid by the conservator to the former or suspended registrant.

C. 13:1E-75 Limitations on powers of conservator.

27. A conservator appointed pursuant to section 21 of this act shall at all times be subject to the provisions of any relevant law or any rule or regulation promulgated pursuant thereto, as well as any condition or restriction in the registration statement or engineering design for the particular major hazardous waste facility.

C. 13:1E-76 Discontinuation of conservatorship action.

28. a. The commission shall direct the discontinuation of any conservatorship action instituted pursuant to section 21 of this act when the conservator has, pursuant to section 22 of this act and with the prior approval of the commission, consummated the sale, assignment, conveyance or other disposition in bulk of all the property of the former registrant relating to the major hazardous waste facility.

b. The commission may direct the discontinuation of any such conservatorship action when it determines that for any reason the cause for which action was instituted no longer exists.

c. Upon the discontinuation of the conservatorship action and with the approval of the commission, the conservator shall take such steps as may be necessary in order to effect an orderly transfer of the property of the former or suspended registrant.

d. The sale, assignment, transfer, pledge or other disposition of the securities issued by a former or suspended registrant during the pendency of a conservatorship action instituted pursuant to this act shall neither divest, have the effect of divesting, nor otherwise affect the powers conferred upon a conservator by this act.

C. 13:1E-77 Reports by conservator.

29. A conservator appointed and constituted pursuant to section 21 of this act shall file with the commission such reports with regard to the administration of the conservatorship in such form and at such intervals as the commission shall prescribe. The reports shall be available for examination and inspection by any creditor or party in interest and, in addition, the commission may direct that copies of the reports be mailed to such creditors or other parties in interest as it may designate and that summaries of the reports be published in such newspapers of general circulation as it may designate.

C. 13:1E-78 Breach of fiduciary obligation; grievance.

30. Any creditor or party in interest aggrieved by any alleged breach of a fiduciary obligation of a conservator in the discharge of his duties shall be entitled, upon request, to a review thereof in accordance with regulations to be promulgated by the commission.

C. 13:1E-79 Qualifications of conservator; investigation and report by Attorney General.

31. The Attorney General shall investigate and report to the commission with regard to the qualifications of each person who is proposed as a candidate to serve as a conservator pursuant to this act.

C. 13:1E-80 Taxation of hazardous waste facilities; disposition of moneys by municipality; collection of excess amounts; payments directed by commission.

32. a. All major hazardous waste facilities shall, for the purposes of local property taxation, be assessed and taxed in the same manner as other real property.

In the event that a major hazardous waste facility is constructed or operated on a site which is exempt from local property taxation by virtue of the ownership thereof by any public agency, the owner or operator of the facility shall, the provisions of any law, rule, regulation, ordinance, resolution or contract to the contrary notwithstanding, annually pay to the affected municipality a sum equal to the amount which would annually be due if the land on which the facility is located and any improvements thereto were assessed and taxed as real property subject to local property taxation. Such payments shall be made to the chief fiscal officer of the affected municipality by December 31 of each year.

b. Subsequent to the effective date of this act, the owner or operator of every major hazardous waste facility shall, on or be-

fore January 25 of each year, file with the chief fiscal officer of the municipality wherein the facility is located a statement, verified by oath, showing the gross receipts from all charges imposed during the preceding calendar year upon any person for the treatment, storage or disposal of hazardous waste at the facility, and shall at the same time pay to the chief fiscal officer a sum equal to 5% of those receipts.

c. All moneys received by any municipality pursuant to this section shall be appropriated and utilized for the following purposes:

(1) Extra police or fire costs, whether for salaries, equipment, or administrative expenses, which were necessitated by the operations of the major hazardous waste facility;

(2) Any local inspection program costs incurred by the local board of health or the county health department, as the case may be, provided that the program is performed pursuant to the provisions of this act and any rule or regulation promulgated pursuant thereto;

(3) Road construction or repair costs necessitated by the transportation of hazardous waste through the municipality to the major hazardous waste facility; and

(4) Other expenses directly related to the impact of the major hazardous waste facility on the municipality.

Any appropriation made for an expenditure covered under this subsection shall, for the purposes of P. L. 1976, c. 68 (C. 40A:4–45.1 et seq.), be considered as an expenditure mandated by State law.

d. Any municipality in which a major hazardous waste facility is located may petition the commission for approval to collect an amount in excess of the amount prescribed in subsection b. of this section. The commission, after affording the affected owner or operator with notice of such petition and an opportunity to be heard thereon, may grant the petition, but only if the commission is satisfied that such grant is warranted by the expenses imposed upon the municipality as a result of the operation of the major hazardous waste facility.

e. The commission may, upon the petition of the affected owner or operator or upon its own motion, direct that the amount to be paid pursuant to subsection b. of this section be reduced to a lower percentage if, after affording the affected municipality notice of such petition or commission intent to decrease such amount and an opportunity to be heard thereon, the commission finds that such

lower amount is sufficient to cover the expenses imposed upon the municipality as a result of the operation of the major hazardous waste facility.

f. Any commission action taken pursuant to subsection d. or e. of this section shall be considered to be final agency action thereon for the purposes of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), and shall be subject only to judicial review as provided in the Rules of Court.

C. 13:1E-81 Acquisition and conveyance powers of commission.

33. a. In addition to the other powers conferred by this act, the commission may acquire, in the name of the State, by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, by the exercise of the power of eminent domain as hereinafter provided, and to lease, sell, or otherwise convey, as hereinafter provided, to hazardous waste industries, any land and other property which it may determine is reasonably necessary for a major hazardous waste facility or for the relocation or reconstruction of any highway by the commission and any and all rights, title, interest or option in that land and other property, including public lands, highways or parkways, owned by or in which the State or any county, municipality, 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 for the purposes of this act.

b. Notwithstanding its land acquisition and conveyance powers provided in subsection a., the commission shall not implement those powers with respect to any land or interest therein unless:

(1) The site on which the facility would be constructed has been adopted by the commission pursuant to the provisions of this act;

(2) An agreement has been entered into between the commission and the hazardous waste industry whereby compensation for the land or any interest therein acquired by the commission will be provided by the hazardous waste industry;

(3) The hazardous waste industry has sought to obtain the land or any interest therein from the owner thereof in good faith bargaining; and

(4) The hazardous waste industry has already obtained the approval of the department for the registration statement and

engineering design for the major hazardous waste facility to be constructed on the land.

c. Upon the exercise of the power of eminent domain by the commission, the compensation to be paid thereunder shall be ascertained and paid in the manner provided in the "Eminent Domain Act of 1971," P. L. 1971, c. 361 (C. 20:3–1 et seq.), and the commission may file with the clerk of the Superior Court a declaration of taking in the manner provided in that act.

d. Nothing in this section shall authorize the exercise of the power of eminent domain for the acquisition of any land which has been specifically designated as a site for a solid waste disposal facility by any solid waste management district in any solid waste plan or amendment thereto approved by the department pursuant to the provisions of the "Solid Waste Management Act," P. L. 1970, c. 39 (C. 13:1E–1 et seq.), unless the prior approval of the affected solid waste management district shall have been obtained by the commission.

C. 13:1E-82 Conflict of interest.

34. a. No member, officer, employee, or agent of the commission shall take any official action on any matter in which he has a direct or indirect financial interest.

b. Any commission action taken or approval granted in violation of this section is voidable.

c. Any person who knowingly violates any provision of this section shall forfeit his office or employment and is guilty of a crime of the fourth degree.

C. 13:1E-83 Audit.

35. The State Auditor shall conduct an annual audit of the commission's activities pursuant to the provisions of chapter 24 of Title 52 of the Revised Statutes.

C. 13:1E-84 Annual report.

36. On or before March 31 in each year the commission shall make an annual report of its activities for the preceding calendar year to the Governor and to the Legislature. Each report shall set forth a complete operating and financial statement covering its operations during the year.

C. 13:1E-85 Rules and regulations.

37. The commission and the department shall, pursuant to the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), adopt such rules and regulations as

may be necessary for the performance of their respective responsibilities pursuant to this act.

C. 13:1E-86 Report by commission within 5 years.

38. Within 5 years of the effective date of this act, the commission, in consultation with the department and the council, shall prepare and transmit to the Governor and the Legislature a report detailing the findings of the commission with respect to the need, if any, for State construction and operation of major hazardous waste facilities, the need, if any, for the State operation of a hazardous waste exchange, as well as the need, if any, for State rate regulation of major hazardous waste facilities.

C. 13:1E-87 Expansion of existing major hazardous waste facilities; approval.

39. a. Prior to the adoption, pursuant to section 9 of this act, of the criteria for the siting of new major hazardous waste facilities, no registration statement or engineering design for any new major hazardous waste facility shall be approved by the department. Amendments to registration statements or engineering designs filed under section 5 of P. L. 1970, c. 39 (C. 13:1E–5) for the expansion of existing major hazardous waste facilities may be granted by the department prior to such adoption, provided that, if the expansion would result in an increase of more than 50% of the capacity of the facility as of the effective date of this act, the review and approval of the application for such amendments shall be conducted in the manner provided in section 12 of this act.

b. Subsequent to the adoption, pursuant to section 9 of this act, of the criteria for the siting of new major hazardous waste facilities, the review and approval by the department of all amendments to registration statements or engineering designs which would result in an increase of more than 50% of the capacity of any major hazardous waste facility shall be conducted in the manner provided in section 12 of this act.

C. 13:1E-88 Limitations on powers and duties of commission.

40. a. Nothing in this act shall authorize the commission or the department to construct or operate any major hazardous waste facility.

b. Nothing in this act shall authorize the commission or the department to impose any restrictions or regulations upon any rate, fee or charge imposed or collected for the treatment, storage or disposal of hazardous waste at any major hazardous waste facility.

c. The provisions of any law to the contrary notwithstanding, neither the Board of Public Utilities nor any other State, county or municipal department, board, commission or agency shall exercise any power to restrict or regulate any rate, fee or charge imposed or collected for the treatment, storage or disposal of hazardous waste at any major hazardous waste facility.

C. 13:1E-89 Legislature's intent.

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

C. 13:1E-90 Partial invalidity.

42. If any section, part, phrase, or provision of this act or the application thereof to any person be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the section, part, phrase, provision, or application directly involved in the controversy in which the judgment shall have been rendered and it shall not affect or impair the validity of the remainder of this act or the application thereof to other persons.

C. 13:1E-91 Construction of act.

43. The object, design and purpose of this act being the protection of the environment and public health through the proper treatment, storage or disposal of hazardous waste generated in this State, and the maintenance of a proper balance, as provided herein, between competing State and local interests, this act shall be liberally construed.

Title amended.

44. The title of P. L. 1979, c. 186 is amended to read as follows:

AN ACT concerning the inspection of major hazardous waste facilities and supplementing the "Solid Waste Management Act," approved May 6, 1970 (P. L. 1970, c. 39, C. 13:1E–1 et seq.), as said short title was amended by P. L. 1975, c. 326.

45. Section 1 of P. L. 1979, c. 186 (C. 13:1E–42.1) is amended to read as follows:

C. 13:1E-42.1 Weekly inspections by department; "hazardous waste" defined; "major hazardous waste facility" defined.

1. The Department of Environmental Protection shall conduct a complete inspection, at least weekly, of each major hazardous waste facility. For the purposes of this act, hazardous waste means any waste or combination of wastes which poses a present or potential threat to human health, living organisms or the environment including, but not limited to, waste material that is toxic, carcinogenic, corrosive, irritating, sensitizing, biologically infectious, explosive or flammable, and any wastes so designated by the United States Environmental Protection Agency. Major hazardous waste facility means any commercial hazardous waste facility which has a total capacity to treat, store or dispose of more than 250,000 gallons of hazardous waste, or the equivalent thereof, as determined by the department, except that any facility which would otherwise be considered a major hazardous waste facility pursuant to this section solely as the result of the recycling or rerefining of any hazardous wastes which are or contain gold, silver, osmium, platinum, palladium, iridium, rhodium, ruthenium or copper shall not be considered a major hazardous waste facility for the purposes of this act.

46. Section 2 of P. L. 1979, c. 186 (C. 13:1E–42.2) is amended to read as follows:

C. 13:1E-42.2 Assessment of cost of inspection by department; collection.

2. The Department of Environmental Protection is hereby authorized to make an assessment against any major hazardous waste facility that handles or disposes of hazardous wastes in an amount sufficient to cover the costs of the inspections required pursuant to section 1 of this act (C. 13:1E–42.1). Any such assessment shall be charged and collected in accordance with a fee schedule adopted by the department as a rule and regulation pursuant to the provisions of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.).

47. There is appropriated to the Department of Environmental Protection the sum of $500,000.00, to be utilized as follows:

a. $300,000.00 to the commission for the preparation and adoption of the plan, for the proposal and adoption of sites for new major waste facilities, and to otherwise implement this act;

b. $100,000.00 to the commission for grants to municipalities for the review of proposed major hazardous waste facility sites pursuant to section 11 of this act;

c. $50,000.00 to the department to conduct training programs for local officials pursuant to section 16 of this act; and

d. $50,000.00 to the council for the performance of its responsibilities pursuant to section 7 hereof.

48. This act shall take effect immediately.

Approved September 10, 1981.

CHAPTER 280

AN ACT concerning alcoholic beverages and amending R. S. 33:1–10 and R. S. 54:43–1.

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

1. R. S. 33:1–10 is amended to read as follows:

Plenary brewery license.

33:1–10. Plenary brewery license. 1a. The holder of this license shall be entitled, subject to rules and regulations, to brew any malt alcoholic beverages and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be $8,500.00.

Limited brewery license. 1b. The holder of this license shall be entitled, subject to rules and regulations, to brew any malt alcoholic beverages in a quantity to be expressed in said license, dependent upon the following fees and not in excess of 300,000 barrels of 31 fluid gallons capacity per year and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be graduated as follows: To so brew not more than 50,000 barrels of 31 fluid gallons capacity per annum, $1,000.00; to so brew not more than 100,000 barrels of 31 fluid gallons capacity per annum, $2,000.00; to so brew not more than 200,000 barrels of 31 fluid gallons capacity per annum, $4,000.00; to so brew not more than 300,000 barrels of 31 fluid gallons capacity per annum, $6,000.00.

Plenary winery license. 2a. The holder of this license shall be entitled, subject to rules and regulations, to manufacture any fermented wines, and to blend, fortify and treat wines, and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter and to churches for religious purposes, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be $750.00. Upon payment of an additional fee of $200.00 for each but not in excess of two premises, in addition to the licensed premises of the winery, the holder of this license shall have the right to sell such wine at retail for consumption on or off the premises as is manufactured, blended, fortified or treated by the licensee in his licensed premises and sold as the licensee's products under the label or labels of the licensee or in lieu of such additional fee of $200.00 but upon payment of an additional fee of $600.00 the holder of this license shall have the right to sell wines and other alcoholic beverages at retail on the licensed premises; provided, however, that such sales shall be made only for consumption off the licensed premises; and provided further, that such wines and other alcoholic beverages shall be manufactured or blended, fortified, distilled or treated by the licensee in his licensed premises or by the licensee's subsidiary corporation and sold only under the label or labels of the licensee. The combined total number of plenary winery licensees having retail privileges, shall not exceed one per each million of population in the State as shown by the last preceding federal census. In the granting of such plenary winery licenses, the Director of the Division of Alcoholic Beverage Control may, in the exercise of his discretion and pursuant to such rules and regulations as he may adopt, give prior consideration to applicants engaged in growing and cultivating grapes upon land owned by the applicant, having an area not less than 3 acres. The containers of all wine sold at retail by such licensee shall have attached thereto a label setting forth such information as shall be required by the rules and regulations of the Director of Alcoholic Beverage Control.

Farm winery license. 2b. The holder of this license shall be entitled, subject to rules and regulations, to manufacture any fermented wines and fruit juices in a quantity to be expressed in said license, dependent upon the following fees and not in excess of 50,000 gallons per year and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter and to sell and distribute without this State to any persons pur-

suant to the laws of the places of such sale and distribution, and to maintain a warehouse and to sell at retail to consumers; provided, however, that such sale to consumers shall be made only for consumption off the licensed premises and then only when the winery at which such fermented wines and fruit juices are manufactured is located and constructed upon a tract of land owned exclusively by the holder of such farm winery license, which said tract of land shall have an area of not less than 3 acres and have growing and under cultivation upon said land at least 1,200 grape vines; and provided, further, that such fermented wines and fruit juices shall be manufactured only from grapes or fruit grown in this State. The containers of all wine sold to consumers by such licensee shall have attached thereto a label stating in substance that the wine has been produced from 100% New Jersey grown fruit and setting forth such information as shall be required by the rules and regulations of the Director of Alcoholic Beverage Control. The fee for this license shall be graduated as follows: To so manufacture between 2,500 and 50,000 gallons per annum, $200.00; to so manufacture between 1,000 and 2,500 gallons per annum, $100.00; to so manufacture less than 1,000 gallons per annum, $50.00.

The license granted hereunder shall authorize, subject to such rules and regulations as may be deemed necessary or appropriate by the Director of the Division of Alcoholic Beverage Control, the offering and tasting on the licensed premises of free samples of wine, to visitors and prospective retail customers.

For the purposes of this subsection, with respect to farm winery licenses, "manufacture" means the vinification, aging, storage, blending, clarification, stabilization and bottling of wine or juice from 100% New Jersey grown fruit.

Plenary distillery license. 3a. The holder of this license shall be entitled, subject to rules and regulations, to manufacture any distilled alcoholic beverages and rectify, blend, treat and mix, and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be $10,000.00.

Limited distillery license. 3b. The holder of this license shall be entitled, subject to rules and regulations, to manufacture and bottle any alcoholic beverages distilled from fruit juices and rectify,

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blend, treat, mix, compound with wine and add necessary sweetening and flavor to make cordial or liqueur, and to sell and distribute to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State, to any persons pursuant to the laws of the places of such sale and distribution and to warehouse these products. The fee for this license shall be $3,000.00.

Supplementary limited distillery license. 3c. The holder of this license shall be entitled, subject to rules and regulations, to bottle and rebottle, in a quantity to be expressed in said license, dependent upon the following fees, alcoholic beverages distilled from fruit juices by such holder pursuant to a prior plenary or limited distillery license, and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be graduated as follows: To so bottle and rebottle not more than 5,000 wine gallons per annum, $250.00; to so bottle and rebottle not more than 10,000 wine gallons per annum, $500.00; to so bottle and rebottle without limit as to amount, $1,000.00.

Rectifier and blender license. 4. The holder of this license shall be entitled, subject to rules and regulations, to rectify, blend, treat and mix distilled alcoholic beverages, and to fortify, blend, and treat fermented alcoholic beverages, and prepare mixtures of alcoholic beverages, and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be $6,000.00.

Bonded warehouse bottling license. 5. The holder of this license shall be entitled, subject to rules and regulations, to bottle alcoholic beverages in bond on behalf of all persons authorized by Federal and State law and regulations to withdraw alcoholic beverages from bond. The fee for this license shall be $500.00. This license shall be issued only to persons holding permits to operate Internal Revenue bonded warehouses pursuant to the laws of the United States.

2. R. S. 54:43–1 is amended to read as follows:

Tax rates.

54:43–1. Tax rates. There are hereby levied and imposed upon any sale of alcoholic beverages made within this State or upon any

delivery of alcoholic beverages made within or into this State the following excise taxes:

a. Beer—$0.03⅓ a gallon or fraction thereof.

b. Liquors—at the rate of $2.80 a gallon.

c. (Deleted by amendment.)

d. (Deleted by amendment.)

e. Wines, vermouth and sparkling wines—at the rate of $0.30 a gallon; except that wine manufactured by holders of a farm winery license, or wine manufactured from grapes or fruit grown in this State by holders of a plenary winery license issued pursuant to the provisions of R. S. 33:1–10 shall be taxed at a rate of $0.10 a gallon.

3. This act shall take effect immediately.

Approved September 10, 1981.

CHAPTER 281

AN ACT to amend "The Endangered and Nongame Species Conservation Act," approved December 14, 1973 (P. L. 1973, c. 309).

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

1. Section 3 of P. L. 1973, c. 309 (C. 23:2A–3) is amended to read as follows:

C. 23:2A-3 Definitions.

3. For the purposes of this act, unless the context clearly requires a different meaning:

a. "Commissioner" means the Commissioner of the Department of Environmental Protection;

b. "Department" means the Department of Environmental Protection;

c. "Endangered species" means any species or subspecies of wildlife whose prospects of survival or recruitment are in jeopardy or are likely within the foreseeable future to become so due to any of the following factors: (1) the destruction, drastic modification, or severe curtailment of its habitat, or (2) its over-utilization for scientific, commercial or sporting purposes, or (3) the effect on it of disease, pollution, or predation, or (4) other natural or man-made factors affecting its prospects of survival or recruitment

within the State, or (5) any combination of the foregoing factors. The term shall also be deemed to include any species or subspecies of wildlife appearing on any Federal endangered species list;

d. "Nongame species" means any wildlife for which a legal hunting or trapping season has not been established or which has not been classified as an endangered species by statute or regulation of this State;

e. "Take" means to harass, hunt, capture, kill, or attempt to harass, hunt, capture, or kill, wildlife;

f. "Wildlife" means any wild mammal, bird, reptile, amphibian, fish, mollusk, crustacean or other wild animal or any part, product, egg or offspring or the dead body or parts thereof.

2. Section 5 of P. L. 1973, c. 309 (C. 23:2A–5) is amended to read as follows:

C. 23:2A-5 Rules and regulations.

5. a. The commissioner shall have the power to formulate and promulgate, adopt, amend and repeal rules and regulations, limiting, controlling and prohibiting the taking, possession, transportation, exportation, sale or offer for sale, or shipment of any nongame species or any wildlife on the endangered species list. Such rules and regulations shall be designed to promote the public health, safety and welfare and shall be adopted in accordance with the "Administrative Procedure Act" (P. L. 1968, c. 410, C. 52:14B–1 et seq.).

b. The commissioner is authorized to conduct periodic inspections in order to determine compliance with the rules and regulations adopted pursuant to this section, and, to that end, is authorized to charge and collect fees in an amount sufficient to cover the costs of the inspections and services performed pursuant to this amendatory act. Such fees shall be devoted entirely and exclusively to carrying out the purposes and provisions of this amendatory act. Inspection fees shall be established in accordance with a fee schedule adopted by the department as a rule and regulation pursuant to the provisions of the aforesaid "Administrative Procedure Act."

3. Section 4 of P. L. 1973, c. 309 (C. 23:2A–4) is amended to read as follows:

C. 23:2A-4 Management programs; list of endangered species.

4. a. The commissioner shall conduct investigations concerning wildlife in order to develop information relating to populations, distribution, habitat needs, limiting factors and other biological

and ecological data to determine management measures necessary for their continued ability to sustain themselves successfully. On the basis of such determinations the commissioner shall develop management programs which shall be designed to insure the continued ability of wildlife to perpetuate themselves successfully.

b. On the basis of such investigations of wildlife and other available scientific and commercial data the commissioner by regulation promulgate a list of those species and subspecies of wildlife indigenous to the State which are determined to be endangered, giving their common and scientific names by species and subspecies. The commissioner shall periodically review the State list of endangered species and may by regulation amend the list making such additions or deletions as are deemed appropriate.

4. Section 6 of P. L. 1973, c. 309 (C. 23:2A–6) is amended to read as follows:

C. 23:2A-6 Prohibition against transport or sale of certain wildlife species.

6. Except as otherwise provided in this act or regulations adopted thereunder, no person shall take, possess, transport, export, process, sell or offer for sale, or ship, and no common or contract carrier shall knowingly transport or receive for shipment any species or subspecies of wildlife appearing on the following lists: (1) the list of wildlife determined to be endangered by the commissioner pursuant to this act; (2) the list of nongame species regulated pursuant to this act; and (3) any Federal list of endangered species. Any species or subspecies of wildlife appearing on any of the foregoing lists which enters the State from another state or from a point outside the territorial limits of the United States and which is transported across the State destined for a point beyond the State may be so entered and transported without restriction in accordance with the terms of any Federal permit or permit issued under the laws or regulations of another state.

5. Section 7 of P. L. 1975, c. 309 (C. 23:2A–7) is amended to read as follows:

C. 23:2A-7 Programs; establishment; public and private contributions; committee of experts; appointment.

7. a. The commissioner shall establish such programs, including acquisition of land or aquatic habitats, as are deemed necessary for the conservation and management of nongame and endangered species of wildlife.

b. In carrying out programs authorized by this act, the commissioner may enter into agreements with Federal agencies, political subdivisions of the State, or with private persons for administration and management of any area established under this section or utilized for management of nongame or endangered species of wildlife.

c. With the approval of the Governor, the commissioner may cooperate with and receive money from the Federal Government, or any county or municipal government or from private sources for the purposes of this act. The commissioner may establish a separate fund from these contributions for the support of nongame and endangered species programs.

d. The commissioner may authorize, under such terms and conditions as may be prescribed by regulation, the taking, possession, transportation, exportation or shipment of nongame species and wildlife which appear on the State list of endangered species for scientific, zoological, or educational purposes, for propagation in captivity of such wildlife, or for other special purposes.

e. The commissioner shall appoint a committee of experts to advise and assist the commissioner in carrying out the intent of this act. Said experts shall include persons actively involved in the conservation of wildlife.

6. This act shall take effect immediately.

Approved September 10, 1981.

CHAPTER 282

AN ACT concerning crimes and supplementing Title 2C of the New Jersey Statutes.

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

C. 2C:33-10 Attempt to put another in fear of bodily violence; crime of third degree.

1. A person is guilty of crime of the third degree if he purposely, knowingly or recklessly puts or attempts to put another in fear of bodily violence by placing on public or private property a symbol, an object, a characterization, an appellation or graffiti that exposes another to threats of violence, contempt or hatred on the basis of

race, color, creed or religion, including, but not limited to a burning cross or Nazi swastika. A person shall not be guilty of an attempt unless his actions cause a serious and imminent likelihood of causing fear of unlawful bodily violence.

C. 2C:33-11 Defacement of private property; crime of fourth degree.

2. A person is guilty of a crime of the fourth degree if he purposely defaces or damages, without authorization of the owner or tenant, any private premises or property primarily used for religious, educational, residential, memorial, charitable, or cemetery purposes, or for assembly by persons of a particular race, color, creed or religion by placing thereon a symbol, an object, a characterization, an appellation, or graffiti that exposes another to threat of violence, contempt or hatred on the basis of race, color, creed or religion, including, but not limited to, a burning cross or Nazi swastika.

3. This act shall take effect immediately.

Approved September 10, 1981.

CHAPTER 283

AN ACT establishing an Office of Small Business Assistance in the Department of Commerce and Economic Development.

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

C. 52:27H-21.1 Legislature's findings; declaration of policy.

1. The Legislature finds and declares that the economy of our State is vitally dependent upon the health and stability of the small and independent businesses which are resident in the State. The Legislature finds further that the future welfare of the State depends on the continued existence and development of these same small and independent businesses. It is, therefore, the declared policy of the Legislature to assist, counsel, aid and protect small and independent business development in the furtherance of the general welfare, by establishing a State Office of Small Business Assistance.

C. 52:27H-21.2 Criteria for eligibility for assistance.

2. As used in this act, "small business" means a business which has its principal place of business in this State and is independently

owned and operated. The Commissioner of the Department of Commerce and Economic Development shall promulgate by rule a detailed definition which shall set forth the criteria to be used to determine eligibility for assistance pursuant to the provisions of this act. These criteria shall be based on the criteria used by the Federal Small Business Administration under Title 13 of the Code of Federal Regulations. In addition, the Commissioner of the Department of Commerce and Economic Development shall have the authority to adopt and promulgate rules and regulations concerning the eligibility for, and use of, loans, grants and other financial support which are not provided by federal funds.

C. 52:27H-21.3 Office of Small Business Assistance; establishment; chief and staff.

3. a. There is established within the Division of Economic Development in the Department of Commerce and Economic Development, the Office of Small Business Assistance. The administrative head of the office shall be a chief, who shall be appointed by the Commissioner of the Department of Commerce and Economic Development, who shall serve at the pleasure of the commissioner during the commissioner's term of office and until a successor is appointed and qualified. Any vacancy occurring in the office of the chief shall be filled in the same manner as the original appointment. The position of chief shall be a full-time position and the salary shall be as provided by law.

b. The chief may employ such professional, technical, research and clerical staff as may be necessary within the limits of available appropriations. The provisions of Title 11 (Civil Service) of the Revised Statutes, shall be construed to extend to all such personnel. The chief may also employ consultants from time to time as may be necessary for particular projects.

C. 52:27H-21.4 Small business advisory council; membership; expenses; chairman; terms; meetings.

4. For the purpose of advising and assisting the chief in carrying out the functions, powers and duties of the Office of Small Business Assistance, the Governor shall appoint, with the advice and consent of the Senate, a small business advisory council consisting of nine members. Members of the council shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties. The council shall elect from among its members a person to chair the council meetings. The advisory council shall consist of five members of the small business community, including minority and women members.

Of the four remaining members, one shall be a representative of labor, one shall represent local government, one shall represent the regional office of the United States Small Business Administration and one shall be a member of the academic community and shall hold an advanced degree in a field related to business administration or management. Any member of the advisory council may be removed from office by the Governor, for cause, upon notice and opportunity to be heard.

a. Members of the advisory council shall serve for terms of 3 years; provided, however, but of the members first appointed, three shall be appointed for 1-year terms, three shall be appointed for 2-year terms, and three shall be appointed for 3-year terms.

b. The advisory council shall meet regularly at least four times each year. Special meetings may be called by the person named to the chair at the request of the chief of the Office of Small Business Assistance.

C. 52:27H-21.5 Powers and duties.

5. The Office of Small Business Assistance, in order to aid and encourage small business firms, including those operated by women and minorities, shall:

a. Establish a loan referral program for small businesses using criteria for eligibility which will be established in New Jersey Economic Development Authority regulations;

b. Serve as liaison with the Department of the Treasury to promote the procurement of contracts for small business firms;

c. Monitor the regulatory activities of all State agencies performing functions affecting the operation of small businesses in the State;

d. Using available resources within the State, including, but not restricted to, small business development centers, academic institutions with graduate business programs and minority business development offices, coordinate managerial and technical assistance in a systematic manner to small businesses;

e. Receive complaints of operators of small businesses and refer them to the appropriate Federal, State or local agency authorized by law for appropriate action on the complaints;

f. Study the operation of the laws affecting small businesses and recommend to the commissioner new laws and amendments of laws for the benefit of small businesses;

g. Review pending legislation affecting small businesses and report its findings to the commissioner;

h. Provide a central resource for small businesses in their dealings with Federal, State and local governments, including information regarding government requirements which affect small businesses;

i. Initiate and encourage small business education programs;

j. Submit to the Governor and the Legislature an annual report regarding its activities and setting forth recommendations of methods which might be utilized to more efficiently and effectively carry out the purposes of this act, and submit to the commissioner periodic reports on the condition of small businesses in the State;

k. Adopt and promulgate rules and regulations necessary to carry out the purposes of this act.

C. 52:27H-21.6 Assistance from other agencies of government.

6. To effectuate the purposes of this act, the chief may request from any department, division, board, bureau, commission or other agency of the State or from any public corporation or district, and the same are authorized to provide, such assistance, services and data as will enable the office properly to carry out its functions, powers and duties hereunder.

7. This act shall take effect January 19, 1982.

Approved September 11, 1981.

CHAPTER 284

AN ACT to reconstitute the list of organizations entitled to delegates to the annual State Agricultural Convention and amending R. S. 4:1-6.

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

1. R. S. 4:1-6 is amended to read as follows:

Representation of certain organizations in annual conventions.

4:1-6. Each county board of agriculture shall be entitled to be represented in the annual convention by two delegates.

Each of the following organizations shall be entitled to be represented in the annual convention by one delegate: American Cranberry Growers' Association, Board of Managers of the New Jersey Agricultural Experiment Station, Cook College of Rutgers

University, The Cooperative Marketing Associations in New Jersey, Inc., Cultivated Sod Association of New Jersey, Inc., Garden State Dairy Goat Association, Inc., Garden State Milk Council, Garden State Service Cooperative Association, Inc., New Jersey Angus Association, Inc., New Jersey Agricultural Society, Inc., New Jersey Apple Institute, Inc., New Jersey Association of Agricultural Fairs, New Jersey Association of Nnrserymen, Inc., New Jersey Beekeepers' Association, Inc., New Jersey Crop Improvement Cooperative Association, Inc., New Jersey Farm Bureau, Inc., New Jersey Guernsey Breeders' Association, Inc., New Jersey Hereford Association, New Jersey Holstein-Friesian Association, Inc., New Jersey Horse Council, New Jersey Livestock Cooperative Association, Inc., New Jersey Peach Promotion Council, Inc., New Jersey Plant and Flower Growers Association, Inc., New Jersey Pony Breeders and Owners, Inc., New Jersey Sheep and Wool Cooperative Association, Inc., New Jersey State Florists' Association, Inc., New Jersey State Grange, Patrons of Husbandry, Inc., New Jersey State Horticultural Society, Inc., New Jersey State Potato Association, Inc., New Jersey State Poultry Association, Inc., New Jersey State Rabbit and Cavy Breeders Association, Inc., New Jersey State Sweet Potato Industry Association, Inc., New Jersey Turkey Association, North Jersey Metropolitan Association of Nurserymen, Inc., each Pomona Grange, Patrons of Husbandry, Standardbred Breeders & Owners Association of New Jersey, Inc., Thoroughbred Breeders' Association of New Jersey, Tru-Blu Cooperative Association, Inc., Vegetable Growers Association of New Jersey, Inc., and the E. B. Voorhees Agricultural Society.

Prior to the time fixed for the holding of the annual convention each of the organizations named in this section shall choose from its members the authorized number of delegates and certify to the convention their qualifications as such. The credentials shall be filed with the proper convention officer or committee, and upon the acceptance thereof by the convention such persons shall have all the rights and powers of delegates.

2. This act shall take effect immediately.

Approved September 11, 1981.

CHAPTER 285

AN ACT concerning insurance and annuities relating to the valuation law and the nonforfeiture law, amending sections 17B:19–2, 17B:19–5, 17B:19–8 and 17B:25–19 of the New Jersey Statutes, and supplementing chapter 25 of Title 17B of the New Jersey Statutes.

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

1. N. J. S. 17B:19–2 is amended to read as follows:

Annual valuation of reserve liabilities for outstanding life insurance policies; foreign or alien insurer.

17B:19–2. The commissioner shall annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this State, except that in the case of an alien insurer, such valuation shall be limited to its United States business, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. All valuations made by him or by his authority shall be upon the net premium basis or such modifications thereof as are provided by law. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise and, with the concurrence of the insurer, make classifications of benefits by years of issue according to such relevant factors as the date as of which the rated age of the insured is determined, the date as of which the benefits have been provided or the premium rates have been changed, or, for policies under which premium rates are guaranteed for a limited period of time, the most recent date as of which the insurer had the right to modify those premium rates. In lieu of the valuation of the reserves herein required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standards provided by law and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the commissioner when such certificate states the valuation to have

been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.

Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standards provided by law may, with the approval of the commissioner, adopt any lower standard of valuation, but not lower than the minimum standards so provided.

Except in the case of policies for which the reserve liabilities are valued on the basis of the provisions of the standard valuation law contained in section 17B:19–8, all valuations made by the commissioner or by his authority shall be upon the net premium basis, or such modification thereof as hereinafter expressly provided; and all policies issued prior to January 1, 1901, shall be valued according to the actuaries' table of mortality, with compound interest at the rate of 4% per annum, except in cases where a life insurer elects or has elected to have the policies or any class thereof valued according to the American Experience table of mortality, or according to the American Men Ultimate table of mortality, with compound interest at the rate of either 3% or 3½% per annum or with the approval of the commissioner at a rate of less than 3% per annum; and all policies issued on or after January 1, 1901, shall be valued according to the American Experience table of mortality, with compound interest at the rate of 3½% per annum, except in cases where a life insurer elects or has elected to have such policies or any class thereof valued according to the American Experience table of mortality with compound interest at a rate of less than 3½% per annum but not less than 3% per annum or with the approval of the commissioner at a rate of less than 3% per annum; and except in cases where any life insurer with the approval of the commissioner may elect or shall have elected to have its ordinary policies or any class thereof valued according to the American Men Ultimate table of mortality, with compound interest at a rate which is not more than 3½% per annum. The minimum standard for the valuation of group term insurance policies under which premium rates are not guaranteed for a period in excess of 5 years shall be the American Men Ultimate table of mortality with interest at 3½% per annum. The commissioner may vary the standards of interest and mortality in the case of annuities and industrial policies and of invalid lives and other extra hazards.

When the actual premium charged for an insurance policy is less than the net premium for the insurance, computed according to the table of mortality, and the rate of interest prescribed herein, the value of the policy shall be increased by the value of an annuity, the amount of which shall equal the difference between the premiums and the term of which in years shall equal the number of future annual payments receivable on the insurance after the date of valuation.

Reserves for all policies and contracts to which the foregoing standards apply may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this section.

2. N. J. S. 17B:19–5 is amended to read as follows:

Annual calculations of policy and loss reserves for health insurance.

17B:19–5. The commissioner shall annually make or cause to be made or shall annually require the insurer to make calculations of policy and loss reserves for health insurance written by insurers authorized to write health insurance in this State as defined in section 17B:17–4. The commissioner may promulgate regulations providing for minimum reserve standards and mortality, morbidity or other contingency bases to be used in connection therewith. All calculations for minimum reserve purposes shall be made on the basis of a rate of interest not exceeding 3½% per annum in the case of policies issued prior to January 1, 1973 and, for policies issued on or after that date on the basis of a rate of interest not exceeding the maximum rate of interest specified in section 17B:19–8 for policies of life insurance which are issued in the same year as such health insurance policies, and, if the following specification is relevant, for policies of life insurance containing a maximum guaranteed duration of more than 10 years but not more than 20 years.

3. N. J. S. 17B:19–8 is amended to read as follows:

Standard valuation law.

17B:19–8. This section shall be known as the standard valuation law and shall apply to all the life insurance policies, pure endowment contracts and annuity contracts issued by every life insurer on or after January 1, 1948 or such earlier date as shall have been elected by the insurer as the operative date for such insurer of the standard nonforfeiture law.

a. The minimum standard for the valuation of the reserve liabilities for all such policies and contracts shall be the commissioner's reserve valuation methods defined in subsections b., e. and f. of this section, 3½% interest, except as otherwise provided in paragraphs (iii), (iv), (ix) and (x) of this subsection for annuity and pure endowment contracts and paragraph (x) of this subsection for life insurance policies and disability and accidental death benefits, and except 4% interest for such policies and benefits issued on and after January 1, 1973 and prior to January 1, 1977 and 4½% interest for such policies and benefits issued on or after January 1, 1977, and the following tables:

(i) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, the Commissioners 1941 Standard Ordinary Mortality Table; provided, however, that the Commissioners 1958 Standard Ordinary Mortality Table shall be the table for the minimum standard for such policies issued on or after January 1, 1966 or, for policies in any category of ordinary insurance, such earlier date as shall have been elected by the insurer for the purpose and prior to the operative date, for such category, provided for in paragraph (xi) of subsection h. of the standard nonforfeiture law for life insurance (N. J. S. 17B:25–19); and provided that the Commissioners 1980 Standard Ordinary Mortality Table, or at the election of the insurer for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors, or any ordinary mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies shall be the tables for the minimum standard for policies in any category of ordinary insurance issued on or after the operative date, for such category provided for in paragraph (xi) of subsection h. of section 17B:25–19, the standard nonforfeiture law for life insurance. Notwithstanding the above provisions of this paragraph, for any category of ordinary insurance, reserves for such policies issued on or after July 1, 1957 and prior to the operative date provided for in paragraph (xi) of subsection h. of section 17B:25–19, the standard nonforfeiture law for life insurance, may be calculated, at the option of the insurer, according to the Approved Standard Ordinary Mortality Table contained in section 17B:19–9; provided, further, that for any category of such policies issued on female risks on or after

July 1, 1957 and prior to the operative date provided for in paragraph (xi) of subsection h. of the standard nonforfeiture law for life insurance, modified net premiums and present values, referred to in subsection b. of this section, may be calculated, at the option of the insurer with approval of the commissioner, according to an age not more than 6 years younger than the actual age of the insured.

(ii) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies, the 1941 Standard Industrial Mortality Table; provided, however, that the Commissioners 1961 Standard Industrial Mortality Table or any industrial mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies shall be the table for the minimum standard for such policies issued on or after January 1, 1968 or such earlier date as shall have been elected by the insurer as the date on which the calculation of the adjusted premiums referred to in the standard nonforfeiture law for life insurance (N. J. S. 17B:25–19) for such insurer's industrial life insurance policies became based upon said table.

(iii) For individual annuity and pure endowment contracts issued prior to the operative date of paragraph (ix) of this subsection, excluding any disability and accidental death benefits in such contracts, the 1937 Standard Annuity Mortality Table, or, at the option of the insurer, the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the commissioner; provided, however, that for single stipulated payment individual annuity and single premium pure endowment contracts issued on or after January 1, 1970, excluding any disability and accidental death benefits in such contracts, the minimum standard shall be the lesser of (a) the standard just described and (b) the standard based on 4% interest and the Annuity Mortality Table for 1949, Ultimate, or any modification of such table approved by the commissioner.

(iv) For group annuity and pure endowment contracts, except annuities and pure endowments purchased thereunder on or after the operative date of paragraph (ix) of this subsection, excluding any disability and accidental death benefits in such contracts, the Group Annuity Mortality Table for 1951, any modification of such table approved by the commissioner, or, at the option of the insurer,

any of the tables or modifications of tables specified for individual annuity and pure endowment contracts; provided, however, that the commissioner may establish regulations governing the use of 5% interest and either the 1971 Group Annuity Mortality Table or any modification of such table approved by the commissioner for either contracts whose reserves are considered as pension plan reserves of the type set forth in section 805(d) of the U. S. Internal Revenue Code, as amended, or contracts of a similar type; and further provided that for group annuity benefits arising from considerations received on or after January 1, 1970, excluding any disability and accidental death benefits, the minimum standard shall be the lesser of (a) the standard just described and (b) the standard based on 4% interest and the Group Annuity Mortality Table for 1951, any modification of such table approved by the commissioner, or, at the option of the insurer, the Annuity Mortality Table for 1949, Ultimate, or any modification of such table specified for individual annuity and pure endowment contracts.

(v) For total and permanent disability benefits in or supplementary to ordinary policies or contracts, for policies or contracts issued on or after January 1, 1966, the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries, with due regard to the type of benefits or any tables of disablement rates and termination rates, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies; for policies or contracts issued on or after January 1, 1961 and prior to January 1, 1966, either such tables or, at the option of the insurer, the Class (3) Disability Table (1926); and for policies issued prior to January 1, 1961, the Class (3) Disability Table (1926). Any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vi) For accidental death benefits in or supplementary to policies, for policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table or any accidental death benefits table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies; for policies issued on or after January 1, 1961 and prior to January 1, 1966, either such table or, at the option of the insurer, the Inter-Company Double Indemnity

Mortality Table; and for policies issued prior to January 1, 1961, the Inter-Company Double Indemnity Mortality Table. Any such table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(vii) For group life insurance, life insurance issued on the substandard basis and other special benefits, such tables as may be approved by the commissioner.

(viii) For ordinary and industrial paid-up nonforfeiture term insurance, and accompanying pure endowment, the table of mortality based on the rates of mortality assumed in calculating the paid-up nonforfeiture benefits.

(ix) Except as provided in paragraph (x) of this subsection, for individual annuity and pure endowment contracts issued on or after the operative date of this paragraph (ix), as defined herein, and for all annuities and pure endowments purchased on or after such operative date under group annuity and pure endowment contracts, the commissioner's reserve valuation methods defined in subsections b., e. and f. and the following tables and interest rates:

(1) For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table or any individual annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such contracts, or any modification of any such table approved by the commissioner, and, for such contracts issued prior to January 1, 1977, 6% interest for single stipulated payment immediate annuity and single premium pure endowment contracts, and 4% interest for all other individual annuity and pure endowment contracts, and such contracts issued on or after January 1, 1977, 7½% interest for single stipulated payment immediate annuity contracts either of the type whose reserves are considered as pension plan reserves as set forth in section 805(d) of the U. S. Internal Revenue Code, as amended, or of similar type, and 6% interest for other single stipulated payment immediate annuity contracts, and 4½% interest for other individual annuity and pure endowment contracts, provided, however, that the commissioner may establish regulations governing the use, in subsequent valuations of single stipulated payments not previously valued, of an interest rate not more than 7½% or less than 6%.

(2) For all annuities and pure endowments purchased under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table or any group annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such annuities and pure endowments, or any modification of any such table approved by the commissioner, and 6% interest; except 7½% interest for purchases on or after January 1, 1977 under either contracts whose reserves are considered as pension plan reserves of the type set forth in section 805(d) of the U. S. Internal Revenue Code, as amended, or contracts of similar type, provided, however, that the commissioner may establish regulations governing the use, in subsequent valuations of purchases not previously valued, of an interest rate not more than 7½% or less than 6%.

For individual single stipulated payment immediate annuity and single premium pure endowment contracts and for annuities and pure endowments purchased under group annuity and pure endowment contracts, the operative date of this paragraph (ix) shall be January 1, 1973.

For other individual annuity and pure endowment contracts, an insurer may file with the commissioner a written notice of its election to comply with the provisions of this paragraph (ix) beginning on a specific date that is on or after January 1, 1973 but prior to January 1, 1979. Such specified date shall be the operative date of this paragraph for such contracts of the insurer, provided that if an insurer makes no such election, the operative date of this paragraph for such contracts of the insurer shall be January 1, 1979.

(x) The interest rates used in determining the minimum standard for the valuation of:

benefits which are subject to the provisions of N. J. S. 17B:25–19 under life insurance policies issued in a particular calendar year on or after the operative date provided for in subsection h. (xi) of N. J. S. 17B:25–19; and all other benefits in life insurance policies and all individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1981; and

all annuities and pure endowments purchased in a particular calendar year on or after January 1, 1981 under group annuity and pure endowment contracts; and

the net increase, if any, in a particular calendar year after January 1, 1981, in amounts held under guaranteed interest contracts

shall be the calendar year statutory valuation interest rates established below.

The calendar year statutory valuation interest rates, I, shall be determined as follows and the results rounded to the nearer 1/4 of 1%:

(1) For life insurance,

$$I = .03 + W(R_1 - .03) + \frac{W}{2}(R_2 - .09);$$

(2) For single stipulated payment immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options,

$$I = .03 + W(R - .03)$$

where R_1 is the lesser of R and .09,

R_2 is the greater of R and .09,

R is the reference interest rate defined in subparagraph (7) of this paragraph, and W is the weighting factor defined in subparagraph (6) of this paragraph;

(3) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue year basis, except as stated in (2) above, the formula for life insurance stated in (1) above shall apply to annuities and guaranteed interest contracts with guaranteed durations in excess of 10 years and the formula for single stipulated payment immediate annuities stated in (2) above shall apply to annuities and guaranteed interest contracts with guaranteed durations of 10 years or less;

(4) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single stipulated payment immediate annuities stated in (2) above shall apply; and

(5) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, the formula for single stipulated payment immediate annuities stated in (2) above shall apply.

However, if the calendar year statutory valuation interest rate for any life insurance policies issued in any calendar year determined without reference to this sentence differs from the corres-

ponding actual rate for similar policies issued in the immediately preceding calendar year by less than 1/2 of 1%, the calendar year statutory valuation interest rate for such life insurance policies shall be equal to the corresponding actual rate for the immediately preceding calendar year. For purposes of applying the immediately preceding sentence, the calendar year statutory valuation interest rate for life insurance policies issued in a calendar year shall be determined for 1980 (using the reference interest rate defined for 1979) and shall be determined for each subsequent calendar year notwithstanding the provisions of subsection h. of section 17B:25–19, the standard nonforfeiture law for life insurance;

(6) The weighting factors, W, referred to in the formulas stated above are given in the folowing schedules:

SCHEDULE A

Weighting Factors for Life Insurance:

Guarantee Duration (Years)	Weighting Factors
10 or less	.50
More than 10, but not more than 20	.45
More than 20	.35

For life insurance, the guarantee duration is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in the original policy;

SCHEDULE B

Weighting factor for single stipulated payment immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options:

.80

Schedule C

Weighting factors for other annuities and for guaranteed interest contracts, except as stated in Schedule B above, shall be as specified in tables A, B and C below, according to the rules and definitions in D, E and F below:

Table A

For annuities and guaranteed interest contracts valued on an issue year basis:

Guarantee Duration (Years)	Weighting Factor for Plan Type A	B	C
5 or less:	.80	.60	.50
More than 5, but not more than 10:	.75	.60	.50
More than 10, but not more than 20:	.65	.50	.45
More than 20:	.45	.35	.35

Table B

	Plan Type A	B	C
For annuities and guaranteed interest contracts valued on a change in fund basis, the factors shown in Table A above increased by:	.15	.25	.05

Table C

	Plan Type A	B	C
For annuities and guaranteed interest contracts valued on an issue year basis (other than those with no cash settlement options) which do not guarantee interest on considerations received more than 1 year after issue or purchase and for annuities and guaranteed interest contracts valued on a change in fund basis which do not guarantee interest rates on considerations received more than 12 months beyond the valuation date, the factors shown in Table A or derived in Table B increased by:	.05	.05	.05

Rule D. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the guarantee duration is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies with guarantee durations in excess of 20 years. For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the guarantee duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

Rule E. Plan type as used in the above tables is defined as follows:

Plan Type A: At any time policyholder may withdraw funds only with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurer, or without such adjustment but in installments over 5 years or more, or as an immediate life annuity, or no withdrawal permitted.

Plan Type B: Before expiration of the interest rate guarantee, policyholder may withdraw funds only with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurer, or without such adjustment but in installments over 5 years or more, or no withdrawal permitted. At the end of interest rate guarantee, funds may be withdrawn without such adjustment in a single sum or installments over less than 5 years.

Plan Type C: Policyholder may withdraw funds before expiration of interest rate guarantee in a single sum or installments over less than 5 years either without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurer, or subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

Rule F. An insurer may elect to value guaranteed interest contracts with cash settlement options and annuities with cash settlement options on either an issue year basis or on a change in fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options must be valued on an issue year basis. As used in this paragraph (x) of subsection a., an issue year basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of issue or year of purchase of the annuity or guaranteed interest contract, and the change in fund basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund;

(7) The reference interest rate, R, referred to in this paragraph (x) is defined as follows:

For all life insurance, the lesser of the average over a period of 36 months and the average over a period of 12 months, ending on

June 30 of the calendar year next preceding the year of issue, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

For single stipulated payment immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the average over a period of 12 months, ending on June 30 of the calendar year of issue or year of purchase, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except as stated above, with guaranteed duration in excess of 10 years, the lesser of the average over a period of 36 months and the average over a period of 12 months, ending on June 30 of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except as stated above, with guaranteed duration of 10 years or less, the average over a period of 12 months, ending on June 30 of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the average over a period of 12 months, ending on June 30 of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in funds basis, except as stated above, the average over a period of 12 months, ending on June 30 of the calendar year of a change in the fund, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

In the event that Moody's Corporate Bond Yield Average—Monthly Average Corporates, is no longer published by Moody's

Investors Service, Inc., or in the event that the National Association of Insurance Commissioners determines that Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc., is no longer appropriate for the determination of the reference interest rate, then an alternative method for determination of the reference interest rate, which is adopted by the National Association of Insurance Commissioners and approved by regulation promulgated by the commissioner, may be substituted.

b. Except as otherwise provided in subsections e. and f., reserves according to the commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums, shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided by the policy and the excess of (A) over (B), as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the 19-year premium whole life plan for insurance of the same amount at an age 1 year higher than the age at issue of such policy.

(B) A net 1-year term premium for such benefits provided for in the first policy year.

Provided that for any life insurance policies issued on or after January 1, 1985 for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the reserve according to the commissioner's reserve valuation method as of any policy anniversary occurring on or before the assumed ending date defined herein as the first policy anni-

versary on which the sum of any endowment benefit and any cash surrender value then available is greater than such excess premium shall, except as otherwise provided in subsection e., be the greater of the reserve as of such policy anniversary calculated as described in the first paragraph of this subsection and the reserve as of such policy anniversary calculated as described in that paragraph, but with (i) the value defined in subparagraph (A) of that paragraph being reduced by 15% of the amount of such excess first year premium, (ii) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date, (iii) the policy being assumed to mature on such date as an endowment, and (iv) the cash surrender value provided on such date being considered as an endowment benefit. In making the above comparison the mortality and interest bases stated in subsection a. of this section shall be used.

Reserves according to the commissioner's reserve valuation method for (i) life insurance policies providing for varying amounts of insurance or requiring the payment of varying premiums, (ii) group annuity and pure endowment contracts purchased in connection with retirement plans or plans of deferred compensation, established or maintained by or for one or more employers (including partnerships or sole proprietorships), employee organizations, or any combination thereof, other than plans providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended, (iii) disability and accidental death benefits in all policies and contracts, and (iv) all other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts, shall be calculated by a method consistent with the principles of this subsection b., except that any extra premiums charged because of impairments or special hazards shall be disregarded in the determination of modified net premiums.

c. In no event shall an insurer's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, be less than the aggregate reserves calculated in accordance with the methods set forth in subsections b., e. and g. and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies. Reserves for any category of policies, contracts or benefits as established by the commissioner shall not be calculated according to any standards

which produce smaller aggregate reserves for such category than the corresponding aggregate values of nonforfeiture benefits available as of the valuation date.

d. Reserves for any category of policies, contracts or benefits as established by the commissioner may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein.

e. If in any contract year the gross premium charged by any life insurer on any policy or contract to which this section applies is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract is the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum valuation standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. At the option of the insurer and with the consent of the commissioner, the minimum reserve defined in this subsection e. may be determined for each policy or contract except one issued on the substandard basis by substituting, for the actual gross premium on the policy or contract, the average gross premium charged by the insurer for all policies or contracts classified other than substandard which have the same valuation characteristics apart from variation in premium on account of differences in mortality experience.

The minimum valuation standards of mortality and rate of interest referred to in this subsection are those standards stated in subsection a. of this section.

Provided that for any life insurance policy issued on or after January 1, 1985 for which the gross premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or

a combination thereof in an amount greater than such excess premium, the foregoing provisions of this subsection e. shall be applied as if the method actually used in calculating the reserve for such policy were the method described in subsection b., notwithstanding the provisions of the second paragraph of such subsection b. The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with subsection b. including the second paragraph of that subsection, and the minimum reserve calculated in accordance with this subsection e.

f. This subsection shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased in connection with retirement plans or plans of deferred compensation, established or maintained by or for one or more employers (including partnerships or sole proprietorships), employee organizations, or any combination thereof, except such plans providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended.

Reserves according to the commissioner's annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate, or rates, specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

g. In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurer based on then estimates of future experience, or in the case of any plan of life insurance or annuity which is of such a nature that the minimum reserves cannot be determined by the methods described in subsections b., e., and f., the reserves which are held under any such plan must:

(i) be appropriate in relation to the benefits and the pattern of premiums for that plan, and

(ii) be computed by a method which is consistent with the principles of this standard valuation law,

as determined by regulations promulgated by the commissioner.

4. N. J. S. 17B:25–19 is amended to read as follows:

Standard nonforfeiture law.

17B:25–19. This section shall be known as the standard nonforfeiture law for life insurance.

a. No policy of life insurance, except as stated in subsection l., shall be delivered or issued for delivery in this State unless it shall contain in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the defaulting or surrendering policyholder as are the minimum requirements hereinafter specified and are essentially in compliance with subsection k. of this section:

(1) That, in the event of default in any premium payment, the insurer will grant, upon proper request not later than 60 days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such amount as may be hereinafter specified. In lieu of such stipulated paid-up nonforfeiture benefit, the insurer may substitute, upon proper request not later than 60 days after the due date of the premium in default, an actuarially equivalent alternative paid-up nonforfeiture benefit which provides a greater amount or longer period of death benefits or, if applicable, a greater amount or earlier payment of endowment benefits.

(2) That, upon surrender of the policy within 60 days after the due date of any premium payment in default after premiums have been paid for at least 3 full years in the case of ordinary insurance or 5 full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

(3) That a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than 60 days after the due date of the premium in default.

(4) That, if the policy shall have become paid up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth

policy anniversary in the case of industrial insurance, the insurer will pay, upon surrender of the policy within 30 days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

(5) In the case of policies which cause on a basis guaranteed in the policy unscheduled changes in benefits or premiums, or which provide an option for changes in benefits or premiums other than a change to a new policy, a statement of the mortality table, interest rate, and method used in calculating cash surrender values and the paid-up nonforfeiture benefits available under the policy. In the case of all other policies, a statement of the mortality tables and interest rates used in calculating the cash surrender values and the mortality tables and interest rates used in calculating the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary either during the first 20 policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy.

(6) A statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of the state in which the policy is delivered; an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy; if a detailed statement of the method of computation of the cash surrender values and paid-up nonforfeiture benefits shown in the policy is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

The insurer shall reserve the right to defer the payment of any cash surrender value for a period of 6 months after demand therefor with surrender of the policy.

b. (Deleted by amendment; P. L. 1981, c. 285.)

c. Any cash surrender value available under any policy referred to in subsection a. in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection a., shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of (1) the then present value of the adjusted premiums as defined in subsection g., corresponding to premiums which would have fallen due on and after such anniversary, and (2) the amount of any indebtedness to the insurer on the policy.

Provided, however, that for any policy issued on or after the operative date provided for in paragraph (xi) of subsection h. of N. J. S. 17B:25–19, which provides supplemental life insurance or annuity benefits at the option of the insured and for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value referred to in the first paragraph of this subsection shall be an amount not less than the sum of the cash surrender value as defined in that paragraph for an otherwise similar policy issued at the same age without such rider or supplemental policy provision and the cash surrender value as defined in that paragraph for a policy which provides only the benefits otherwise provided by such rider or supplemental policy provision.

Provided, further, that for any family policy issued on or after the operative date provided for in paragraph (xi) of subsection h., which defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse's age 71, the cash surrender value referred to in the first paragraph of this subsection shall be an amount not less than the sum of the cash surrender value as defined in that paragraph for an otherwise similar policy issued at the same age without such term insurance on the life of the spouse and the cash surrender value as defined in that paragraph for a policy which provides only the benefits otherwise provided by such term insurance on the life of the spouse.

Any cash surrender value available within 30 days after any policy anniversary under any policy paid up by completion of all

premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by subsection a., shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the insurer on the policy.

d. Any paid-up nonforfeiture benefit available under any policy referred to in subsection a. in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

e. (Deleted by amendment; P. L. 1981, c. 285.)

f. (Deleted by amendment; P. L. 1981, c. 285.)

g. This subsection shall not apply to policies issued on or after the operative date of subsection h. as defined therein. Except as provided in the third paragraph of this subsection, the adjusted premiums for any policy referred to in subsection a. shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (1) the then present value of the future guaranteed benefits provided for by the policy; (2) 2% of the amount of insurance, if the insurance be uniform in amount or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (3) 40% of the adjusted premium for the first policy year; (4) 25% of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less; provided, however, that in applying the percentages specified in (3) and (4) above, no adjusted premium shall be deemed to exceed 4% of the amount of insurance or uniform amount equivalent thereto. The date of issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof

for the purpose of this subsection shall be deemed to be the uniform amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration, and the benefits under which have the same present value at the date of issue as the benefits under the policy; provided, however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age 10, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age 10 were the amount provided by such policy at age 10.

The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (a) the adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by (b) the adjusted premiums for such term insurance, the foregoing items (a) and (b) being calculated separately and as specified in the first two paragraphs of this subsection except that, for the purpose of (2), (3) and (4) of the first such paragraph, the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in (b) shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (a).

All adjusted premiums and present values referred to in this subsection shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table. Notwithstanding this provision, for any category of ordinary insurance such calculations may be made, at the option of the insurer, on the basis of the Approved Standard Ordinary Mortality Table; provided, further, that for any category of ordinary insurance issued on female risks adjusted premiums and present values may be calculated, at the option of the insurer with approval of the commissioner, according to an age not more than 6 years younger than the actual age of the insured. Such calculations for all policies of industrial insurance shall be made on the basis of the Commissioners 1961 Standard Industrial Mortality Table.

All calculations shall be made on the basis of the applicable rates of interest specified in the policy for calculating cash surrender

values and paid-up nonforfeiture benefits not exceeding 5½% per annum. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than the rates shown in the Commissioners 1958 Extended Term Insurance Table if the adjusted premiums for the policy are calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table, may be not more than 130% of the rates shown in the Approved Standard Ordinary Mortality Table if the adjusted premiums for the policy are calculated on the basis of said table, and may be not more than the rates shown in the Commissioners 1961 Industrial Extended Term Insurance Table if the adjusted premiums for the policy are calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the commissioner.

h. (i) This subsection h. shall apply to all policies issued on or after the operative date established by paragraph (xi) of this subsection h. Except as provided in paragraph (vii) of this subsection, the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments or special hazards and also excluding any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the date of the policy, of all adjusted premiums shall be equal to the sum of (A) the then present value of the future guaranteed benefits provided for by the policy; (B) 1% of either the amount of insurance, if the insurance be uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and (C) 125% of the nonforfeiture net level premium as defined in paragraph (ii). Provided, however, that in applying the percentage specified in (C) above no nonforfeiture net level premium shall be deemed to exceed 4% of either the amount of insurance, if the insurance be uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years. The

date of issue of a policy for the purpose of this section shall be the date as of which the rated age of the insured is determined.

(ii) The nonforfeiture net level premium shall be equal to the present value, at the date of issue of the policy, of the guaranteed benefits provided for by the policy divided by the present value, at the date of issue of the policy, of an annuity of one per annum payable on the date of issue of the policy and on each anniversary of such policy on which a premium falls due.

(iii) In the case of policies which cause on a basis guaranteed in the policy unscheduled changes in benefits or premiums, or which provide an option for changes in benefits or premiums other than a change to a new policy, the adjusted premiums and present values shall initially be calculated on the assumption that future benefits and premiums do not change from those stipulated at the date of issue of the policy. At the time of any such change in the benefits or premiums the future adjusted premiums, nonforfeiture net level premiums and present values shall be recalculated on the assumption that future benefits and premiums do not change from those stipulated by the policy immediately after the change.

(iv) Except as otherwise provided in paragraph (vii) of this subsection, the recalculated future adjusted premiums for any such policy shall be such uniform percentage of the respective future premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments and special hazards, and also excluding any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the time of change to the newly defined benefits or premiums, of all such future adjusted premiums shall be equal to the excess of the sum of the then present value of the then future guaranteed benefits provided for by the policy and the additional expense allowance, if any, over the then cash surrender value, if any, or present value of any paid-up nonforfeiture benefit under the policy.

(v) The additional expense allowance, at the time of the change to the newly defined benefits or premiums, shall be the sum of 1% of the excess of the average amount of insurance at the beginning of each of the first 10 policy years subsequent to the change over the average amount of insurance prior to the change at the beginning of each of the first 10 policy years subsequent to the time of the most recent previous change, or, if there has been no previous

change, the date of issue of the policy; and 125% of the increase, if positive, in the nonforfeiture net level premium.

(vi) The recalculated nonforfeiture net level premium shall be equal to the result obtained by dividing (A) by (B) where

(A) equals the sum of the nonforfeiture net level premium applicable prior to the change times the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of the change on which a premium would have fallen due had the change not occurred, and the present value of the increase in future guaranteed benefits provided for by the policy, and

(B) equals the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of change on which a premium falls due.

(vii) Notwithstanding any other provisions of this subsection to the contrary, in the case of a policy issued on a substandard basis which provides reduced graded amounts of insurance so that, in each policy year, such policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis which provides higher uniform amounts of insurance, adjusted premiums and present values for such substandard policy may be calculated as if it were issued to provide such higher uniform amounts of insurance on the standard basis.

(viii) All adjusted premiums and present values referred to in this subsection shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1980 Standard Ordinary Mortality Table or at the election of the insurer for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with 10-Year Select Mortality Factors; shall for all policies of industrial insurance be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table; and shall for all policies issued in a particular calendar year be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in paragraph (ix) of this subsection for policies issued in that calendar year. Provided, however, that:

At the option of the insurer, calculations for all policies issued in a particular calendar year may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, as defined in this section, for policies issued in the immediately preceding calendar year.

Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by subsection a., shall be calculated on the basis of the mortality table and rate of interest used in determining the amount of such paid-up nonforfeiture benefit and paid-up dividend additions, if any.

An insurer may calculate the amount of any guaranteed paid-up nonforfeiture benefit including any paid-up additions under the policy on the basis of an interest rate not lower than that specified in the policy for calculating cash surrender values.

In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1980 Extended Term Insurance for policies of ordinary insurance and not more than the Commissioners 1961 Industrial Extended Term Insurance Table for policies of industrial insurance.

For insurance issued on a substandard basis, the calculation of such adjusted premiums and present values may be based on appropriate modifications of the aforementioned tables.

Any ordinary mortality tables, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the Commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without 10-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table.

Any industrial mortality tables, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table.

(ix) The nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be equal to 125% of the calendar year statutory valuation interest rate for such policy as defined in the standard valuation law, paragraph (x) of subsection 17B:19–8a., rounded to nearer ¼ of 1%.

(x) Notwithstanding any other provisions in this code (Title 17B) to the contrary, any refiling of nonforfeiture values or their methods of computation for any previously approved policy forms which involves only a change in the interest rate or mortality table used to compute nonforfeiture values shall not require refiling of any other provisions of that policy form.

(xi) After the effective date of this subsection, any insurer may file with the commissioner a written notice of its election to comply, with respect to any category of insurance, with the provisions of this subsection after a specified date before January 1, 1989, which shall be the operative date of this subsection for that category of insurance for such insurer. If an insurer makes no such election with respect to any category of insurance, the operative date of this subsection for that category of insurance issued by such insurer shall be January 1, 1989.

i. In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurer based on then estimates of future experience, or in the case of any plan of life insurance which is of such a nature that minimum values cannot be determined by the methods described in the preceding subsections of this section, then:

the commissioner must be satisfied that the benefits provided under the plan are substantially as favorable to policyholders and insureds as the minimum benefits otherwise required by the preceding subsections of this section;

the commissioner must be satisfied that the benefits and the pattern of premiums of that plan are not such as to mislead prospective policyholders or insureds;

the cash surrender values and paid-up nonforfeiture benefits provided by such plan must not be less than the minimum values and benefits required for the plan computed by a method consistent with the principles of this standard nonforfeiture law for life insurance, as determined by regulations promulgated by the commissioner.

j. Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy or contract anniversary. All values referred to in subsections c., d., g., h. and i. may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death.

The net value of any paid-up additions, other than paid-up term additions, shall be not less than the amounts used to provide such additions. Notwithstanding the provisions of subsection c., additional benefits payable (1) in the event of death or dismemberment by accident or accidental means, (2) in the event of total and permanent disability, (3) as reversionary annuity or deferred reversionary annuity benefits, (4) as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, (5) as term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is 26, is uniform in amount after the child's age is one, and has not become paid-up by reason of the death of a parent of the child, and (6) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits. Notwithstanding the provisions of subsection c., additional benefits providing the privilege to purchase additional insurance benefits at some future time without furnishing evidence of insurability, and premiums therefor, may, with the consent of the commissioner, be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

k. This subsection shall apply to all policies issued on or after January 1, 1985. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary shall be in an amount which does not differ by more than $\frac{2}{10}$ of 1% of either the amount of insurance, if the insurance be uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years, from the sum of (a) the greater of zero and the basic cash value hereinafter specified and (b) the present value of any existing paid-up additions less the amount of any indebtedness to the insurer under the policy.

The basic cash value shall be equal to the present value, on such anniversary, of the future guaranteed benefits which would have been provided by the policy, excluding any existing paid-up additions and before deduction of any indebtedness to the insurer, if there had been no default, less the then present value of the non-

forfeiture factors, as hereinafter defined, corresponding to premiums which would have fallen due on and after such anniversary. Provided, however, that the effects on the basic cash value of supplemental life insurance or annuity benefits or of family coverage, as described in subsection c. or subsection g., whichever is applicable shall be the same as are the effects specified in subsection c. or subsection g., whichever is applicable on the cash surrender values defined therein.

The nonforfeiture factor for each policy year shall be an amount equal to a percentage of the adjusted premium for the policy year, as defined in subsection g. or h., whichever is applicable. Except as required by the next succeeding sentence of this paragraph, such percentage:

shall be the same percentage for each policy year between the second policy anniversary and the later of the fifth policy anniversary and the first policy anniversary at which there is available under the policy a cash surrender value in an amount, before including any paid-up additions and before deducting any indebtedness, of at least $\frac{2}{10}$ of 1% of either the amount of insurance, if the insurance be uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and

shall be such that no percentage after the later of the two policy anniversaries specified in the preceding item may apply to fewer than 5 consecutive policy years.

Provided, that no basic cash value may be less than the value which would be obtained if the adjusted premiums for the policy, as defined in subsection g., or h., whichever is applicable, were substituted for the nonforfeiture factors in the calculation of the basic cash value.

All adjusted premiums and present values referred to in this subsection shall for a particular policy be calculated on the same mortality and interest bases as are used in demonstrating the policy's compliance with the other sections of this amendatory and supplementary act. The cash surrender values referred to in this subsection shall include any endowment benefits provided for by the policy.

Any cash surrender value available other than in the event of default in a premium payment due on a policy anniversary, and the amount of any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment shall be

determined in a manner consistent with that specified for determining the appropriate minimum amounts in subsections a., c., d., g., h. and i. The amounts of any cash surrender values and of any paid-up nonforfeiture benefits granted in connection with additional benefits such as those listed as items (1) through (6) in subsection j. shall conform with the principles of this subsection.

l. This section shall not apply to any of the following:

- reinsurance,
- group insurance,
- annuity contract,
- single premium pure endowment contract or reversionary annuity contract,
- term policy of uniform amount, which provides no guaranteed nonforfeiture or endowment benefits, or renewal thereof, of 20 years or less expiring before age 71, for which uniform premiums are payable during the entire term of the policy,
- term policy of decreasing amount which provides no guaranteed nonforfeiture or endowment benefits, on which each adjusted premium, calculated as specified in subsections g. and h. is less than the adjusted premium so calculated on a term policy of uniform amount, or renewal thereof, which provides no guaranteed nonforfeiture endowment benefits, issued at the same age and for the same initial amount of insurance and for a term of 20 years or less expiring before age 71, for which uniform premiums are payable during the entire term of the policy,
- policy which provides no guaranteed nonforfeiture or endowment benefits, for which no cash surrender value, if any, or present value of any paid-up nonforfeiture benefit, at the beginning of any policy year, calculated as specified in subsections c., g., and h. exceeds 2½% of the amount of insurance at the beginning of the same policy year,
- policy which shall be delivered outside this State through an agent or other representative of the insurer issuing the policy.

For the purposes of determining the applicability of this section, the age at expiry for a joint term life insurance policy shall be the age at expiry of the oldest life.

C. 17B:25-20 Standard nonforfeiture law for individual deferred annuities.

5. (New section) This section shall be known as the standard nonforfeiture law for individual deferred annuities.

a. No contract of annuity or pure endowment, except as stated in subsection p., shall be issued or delivered in this State on or after January 1, 1972 and before the operative date of this section as defined in subsection o., unless it shall contain in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the defaulting or surrendering contract holder:

(1) That, in the event of default in any stipulated payment, the insurer will grant a paid-up nonforfeiture benefit on a plan stipulated in the contract, effective as of such due date, of such value as may be hereinafter specified.

(2) A statement of the mortality tables, if any, and interest rates used in calculating the paid-up nonforfeiture benefits available under the contract, together with a table showing either the cash surrender value, if any, or the paid-up nonforfeiture benefit, if any, available on each anniversary of the contract either during the first 20 contract years or during the term of stipulated payments, whichever is shorter, such benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the contract and that there is no indebtedness to the insurer on the contract.

(3) A statement that the paid-up nonforfeiture benefits available under the contract are not less than the minimum benefits required by or pursuant to the insurance law of the state in which the contract is delivered; an explanation of the manner in which the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the contract or any indebtedness to the insurer on the contract; if a detailed statement of the method of computation of the paid-up nonforfeiture benefits shown in the contract is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the contract is delivered; and a statement of the method to be used in calculating the paid-up nonforfeiture benefit available under the contract on any contract anniversary beyond the last anniversary for which such benefits are consecutively shown in the contract.

If an insurer shall provide for the payment of a cash surrender value, it shall reserve the right to defer the payment of such value

for a period of 6 months after demand therefor with surrender of the contract.

Notwithstanding the requirements of this subsection, any deferred annuity contract may provide that if the annuity allowed under any paid-up nonforfeiture benefit would be less than $120.00 annually, the insurer may at its option grant a cash surrender value in lieu of such paid-up nonforfeiture benefit of such amount as may be required by subsection c.

b. Any paid-up nonforfeiture benefit available under any annuity or pure endowment contract referred to in subsection a. in the event of default in a stipulated payment due on any contract anniversary, shall be such that its present value as of such anniversary shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the contract, including any existing paid-up additions, if there had been no default, over the sum of (1) the then present value of the adjusted stipulated payments as defined in subsection d. corresponding to stipulated payments which would have fallen due on and after such anniversary, and (2) the amount of any indebtedness to the insurer on the contract. In determining the benefits referred to in this subsection and in calculating the adjusted stipulated payments referred to in subsection d. in the case of annuity contracts under which an election may be made to have annuity payments commence at optional dates, the annuity payments shall be deemed to commence at a date which shall be the latest permitted by the contract for the commencement of such payments but not later than the contract anniversary nearest the annuitant's seventieth birthday or the tenth anniversary of the contract, whichever is later; and the stipulated payments shall be deemed to be payable for the longest period during which they would be payable if election were made to have the annuity payments commence at such date.

c. Any cash surrender value allowed by any annuity or pure endowment contract referred to in subsection a. and the present value under any optional provision, of future benefits commencing on the due date of the stipulated payment in default shall each be at least equal to the then present value of the minimum paid-up nonforfeiture benefit required by subsection b.

d. The adjusted stipulated payments for any annuity or pure endowment contract referred to in subsection a. shall be calculated on an annual basis and shall be such uniform percentage of the respective stipulated payments specified in the contract for each

contract year that the present value, at the date of issue of the contract, of all such adjusted stipulated payments shall be equal to the sum of (1) the then present value of the future guaranteed benefits provided for by the contract; (2) 20% of the adjusted stipulated payment for the first contract year; and (3) 2% of the adjusted stipulated payment for the first contract year for each year not exceeding 20 during which stipulated payments are payable.

All adjusted stipulated payments and present values referred to in this section shall for annuity and pure endowment contracts be calculated on the basis of (1) the applicable rates of interest, not exceeding 3½% per annum, specified in the contract for calculating cash surrender values, if any, and paid-up nonforfeiture benefits; and (2) the 1937 Standard Annuity Mortality Table, or the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the commissioner or any other table approved by the commissioner; provided that, in the case of annuity or pure endowment contracts issued after the operative date for the insurer of paragraph (ix) of subsection a. of the standard valuation law, section 17B:19–8, the 3½% maximum interest rate specified in item (1) of this paragraph shall be increased to 4½%, and, if the applicable rates of interest specified in the contract for calculating cash surrender values, if any, and paid-up nonforfeiture benefits exceed 3½%, there shall be substituted for the mortality tables specified in item (2) the 1971 Individual Annuity Mortality Table, or any modification of this table approved by the commissioner or any other table approved by the commissioner.

e. Any cash surrender value and any paid-up nonforfeiture benefit, available under any contract referred to in subsection a. in the event of default in the payment of a stipulated payment due at any time other than on the contract anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional stipulated payments beyond the last preceding contract anniversary. All values referred to in subsections b. to d. inclusive, may be calculated upon the assumption that any death benefit is payable at the end of the contract year of death. The net value of any paid-up additions shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of subsection b., additional benefits payable (1) in the event of total and permanent disability, (2) as reversionary annuity or deferred reversionary annuity benefits, and (3) as other policy benefits additional to pure endowment, and annuity benefits, and premiums

for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits. Notwithstanding the provisions of subsection b., additional benefits providing the privilege to purchase additional annuity benefits at some future time without furnishing evidence of insurability, and stipulated payments therefor, may, with the consent of the commissioner, be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

f. In the case of contracts issued on or after the operative date of this section as defined in subsection o., no contract of annuity, except as stated in subsection p., shall be delivered or issued for delivery in this State unless it contains in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the contract holder, upon cessation of payment of considerations under the contract:

(1) That upon cessation of payment of considerations under a contract, the insurer will grant a paid-up annuity benefit on a plan stipulated in the contract of such value as is specified in subsections h., i., j., k. and m.

(2) If a contract provides for a lump sum settlement at maturity, or at any other time, that upon surrender of the contract at or prior to the commencement of any annuity payments, the insurer will pay in lieu of any paid-up annuity benefit a cash surrender benefit of such amount as is specified in subsections h., i., k. and m. The insurer shall reserve the right to defer the payment of such cash surrender benefit for a period of 6 months after demand therefor with surrender of the contract.

(3) A statement of the mortality table, if any, and interest rates used in calculating any minimum paid-up annuity, cash surrender or death benefits that are guaranteed under the contract, together with sufficient information to determine the amounts of such benefits.

(4) A statement that any paid-up annuity, cash surrender or death benefits that may be available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered and an explanation of the manner in which such benefits are altered by the existence of any additional amounts credited by the insurer to the contract, any

indebtedness to the insurer on the contract or any prior withdrawals from or partial surrenders of the contract.

Notwithstanding the requirements of this subsection, any deferred annuity contract may provide that if no considerations have been received under a contract for a period of 2 years and the portion of the paid-up annuity benefit at maturity on the plan stipulated in the contract arising from considerations paid prior to such period would be less than $20.00 monthly, the insurer may at its option terminate such contract by payment in cash of the then present value of such portion of the paid-up annuity benefit, calculated on the basis of the mortality table, if any, and interest rate specified in the contract for determining the paid-up annuity benefit, and by such payment shall be relieved of any further obligation under such contract.

g. The minimum values as specified in subsections h., i., j., k. and m. of any paid-up annuity, cash surrender or death benefits available under an annuity contract referred to in subsection f., shall be based upon minimum nonforfeiture amounts as defined in this subsection:

(1) With respect to contracts providing for flexible considerations, the minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to that time at a rate of interest of 3% per annum of percentages of the net considerations (as hereinafter defined) paid prior to such time; decreased by the sum of any prior withdrawals from or partial surrenders of the contract accumulated at a rate of interest of 3% per annum and the amount of any indebtedness to the insurer on the contract, including interest due and accrued; and increased by any existing additional amounts credited by the insurer to the contract. The net considerations for a given contract year used to define the minimum nonforfeiture amount shall be an amount not less than zero and shall be equal to the corresponding gross considerations credited to the contract during that contract year less an annual contract charge of $30.00 and less a collection charge of $1.25 per consideration credited to the contract during that contract year. The percentages of net considerations shall be 65% of the net consideration for the first contract year and 87½% of the net considerations for the second and later contract years. Notwithstanding the provisions of the preceding sentence, the percentage shall be 65% of the portion of the total net consideration for any renewal contract year which exceeds by not more than two times the sum of those portions of

the net considerations in all prior contract years for which the percentage was 65%.

(2) With respect to contracts providing for fixed scheduled considerations, minimum nonforfeiture amounts shall be calculated on the assumption that considerations are paid annually in advance and shall be defined as for contracts with flexible considerations which are paid annually with two exceptions:

(a) The portion of the net consideration for the first contract year to be accumulated shall be the sum of 65% of the net consideration for the first contract year plus 22½% of the excess of the net consideration for the first contract year over the lesser of the net considerations for the second and third contract years.

(b) The annual contract charge shall be the lesser of (i) $30.00 or (ii) 10% of the gross annual consideration.

(3) With respect to contracts providing for a single consideration, minimum nonforfeiture amounts shall be defined as for contracts with flexible considerations except that the percentage of net consideration used to determine the minimum nonforfeiture amount shall be equal to 90% and the net consideration shall be the gross consideration less a contract charge of $75.00.

h. Any paid-up annuity benefit available under a contract referred to in subsection f. shall have a present value on the date annuity payments are to commence at least equal to the minimum nonforfeiture amount on that date. Such present value shall be computed using the mortality table, if any, and the interest rate specified in the contract for determining the minimum paid-up annuity benefits guaranteed in the contract.

i. For contracts referred to in subsection f. which provide cash surrender benefits, such cash surrender benefits available prior to maturity shall not be less than the present value as of the date of surrender of that portion of the maturity value of the paid-up annuity benefit which would be provided under the contract at maturity arising from considerations paid prior to the time of cash surrender reduced by the amount appropriate to reflect any prior withdrawals from or partial surrenders of the contract, such present value being calculated on the basis of an interest rate not more than 1% higher than the interest rate specified in the contract for accumulating the net considerations to determine such maturity value; decreased by the amount of any indebtedness to the insurer on the contract, including interest due and accrued; and increased by any existing additional amounts credited by the insurer to the

contract. In no event shall any cash surrender benefit be less than the minimum nonforfeiture amount at that time. The death benefit under such contracts shall be at least equal to the cash surrender benefit.

j. For contracts referred to in subsection f. which do not provide cash surrender benefits, the present value of any paid-up annuity benefit available as a nonforfeiture option at any time prior to maturity shall not be less than the present value of that portion of the maturity value of the paid-up annuity benefit provided under the contract arising from considerations paid prior to the time the contract is surrendered in exchange for, or changed to, a deferred paid-up annuity, such present value being calculated for the period prior to the maturity date on the basis of the interest rate specified in the contract for accumulating the net considerations to determine such maturity value, and increased by any existing additional amounts credited by the insurer to the contract. For contracts referred to in subsection f. which do not provide any death benefits prior to the commencement of any annuity payments, such present values shall be calculated on the basis of such interest rate and the mortality table specified in the contract for determining the maturity value of the paid-up annuity benefit. However, in no event shall the present value of a paid-up annuity benefit be less than the minimum nonforfeiture amount at that time.

k. For the purpose of determining the benefits calculated under subsections i. and j., in the case of annuity contracts under which an election may be made to have annuity payments commence at optional maturity dates, the maturity date shall be deemed to be the latest date for which election shall be permitted by the contract, but shall not be deemed to be later than the anniversary of the contract next following the annuitant's seventieth birthday or the tenth anniversary of the contract, whichever is later.

l. Any contract referred to in subsection f. which does not provide cash surrender benefits or does not provide death benefits at least equal to the minimum nonforfeiture amount prior to the commencement of any annuity payments shall include a statement in a prominent place in the contract that such benefits are not provided.

m. Any paid-up annuity, cash surrender or death benefits available at any time, other than on the contract anniversary under any contract with fixed scheduled considerations referred to in subsection f. shall be calculated with allowance for the lapse of time and the payment of any scheduled considerations beyond the begin-

ning of the contract year in which cessation of payment of considerations under the contract occurs.

n. For any contract referred to in subsection f. which provides, within the same contract by rider or supplemental contract provision, both annuity benefits and life insurance benefits that are in excess of the greater of cash surrender benefits or a return of the gross considerations with interest, the minimum nonforfeiture benefits shall be equal to the sum of the minimum nonforfeiture benefits for the annuity portion and the minimum nonforfeiture benefits, if any, for the life insurance portion computed as if each portion were a separate contract. Notwithstanding the provisions of subsections h., i., j., k. and m., additional benefits payable (1) in the event of total and permanent disability, (2) as reversionary annuity or deferred reversionary annuity benefits, or (3) as other policy benefits additional to life insurance, endowment, and annuity benefits, and considerations for all such additional benefits, shall be disregarded in ascertaining the minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits that may be required by this section. The inclusion of such additional benefits shall not be required in any paid-up benefits, unless such additional benefits separately would require minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits.

o. After January 1, 1981, any insurer may file with the commissioner a written notice of its election to comply with the provisions of this section after a specified date before January 1, 1983. After the filing of such notice, then upon such specified date, which shall be the operative date of this section for such insurer, the provisions of subsections f. through n. shall become operative with respect to annuity contracts thereafter issued by such insurer. If an insurer makes no such election, the operative date of this section for such insurer shall be January 1, 1983.

p. This section shall not apply to any reinsurance, group annuity purchased in connection with one or more retirement plans or plans of deferred compensation established or maintained by or for one or more employers (including partnerships or sole proprietorships), employee organizations, or any combination thereof, other than plans providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as amended, nor to any premium deposit fund, variable annuity, investment annuity, immediate annuity, any deferred annuity contract after annuity payments have commenced,

or reversionary annuity, nor to any contract which shall be delivered outside this State through an agent or other representative of the insurer issuing the contract. The requirements of subsections a. to e. of this section shall not apply to any group annuity, single premium pure endowment, or single stipulated payment annuity.

6. This act shall take effect immediately.

Approved September 11, 1981.

CHAPTER 286

AN ACT to amend and supplement "An act making appropriations for the support of the State Government and the several public purposes for the fiscal year ending June 30, 1981 and regulating the disbursement thereof," approved June 30, 1980 (P. L. 1980, c. 56).

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

1. The following sums are hereby appropriated out of the General Fund, or such other sources of funds specifically indicated or as may be applicable, for the respective public officers and for the several purposes herein specified:

CLAIMS

DEPARTMENT OF ENVIRONMENTAL PROTECTION

PALISADES INTERSTATE PARK COMMISSION

Borough of Alpine, c/o Logan and Logan, Counsellors at Law, 132 Engle Street, P.O. Box 664, Englewood, N. J. 07631, Attention: James P. Logan, Attorney at Law; Borough of Englewood Cliffs, c/o Melvin Gittelman, Attorney at Law, Court House Towers, 39 Hudson Street, Hackensack, N. J. 07601, Attention: Steven D. Mulstock, Attorney at Law; and, Borough of Fort Lee, c/o Basile & Herbert, Counsellors at Law, 646 Anderson Avenue, Cliffside Park, N. J. 07010, Attention: Paul L. Basile, Attorney at Law, for payment of municipal taxes for land situated within their respective boroughs:

Borough of Alpine	$21,300
Borough of Englewood Cliffs	27,200
Borough of Fort Lee	21,500

That an award in the amount of $70,000 be payable by the Palisades Interstate Park Commission from the net share of revenues which it derives from the operation of gasoline stations on the New Jersey section of the Palisades Interstate Parkway.

DEPARTMENT OF HIGHER EDUCATION

RUTGERS, THE STATE UNIVERSITY

Various employees of Rutgers, The State University, c/o Andrew T. Reilley, Jr., Manager of Employee Services, Rutgers, The State University, New Brunswick, N. J. 08903, for allegedly prohibiting by law a small number of faculty members from participating in the Alternate Benefits Program between 1968 and 1979	$14,500

DEPARTMENT OF HUMAN SERVICES

DIVISION OF YOUTH AND FAMILY SERVICES

Joseph E. Solek, 79 Chase Street, Trenton, N. J. 08638, for reimbursement of personal tools taken from the Elizabeth Motor Pool, an award in the amount of $514 be made payable from funds appropriated to the department.	

DEPARTMENT OF LAW AND PUBLIC SAFETY

William Hoag, c/o Thomas F. O'Gorman, III, Counsellor at Law, 594 Kearny Avenue, Kearny, N. J. 07533, for damages suffered as a result of convictions for crimes which were later overturned by the U. S. Supreme Court	$10,000

DEPARTMENT OF TREASURY

Bass Transportation Company, Inc., Box 391, Old Croton Road, Flemington, N. J. 08822, for refund of State motor fuels tax paid, upon a timely claim, an award in the amount of $1,433 be paid as a refund from Motor Fuels Tax revenues for 1980-81.	
Total Appropriation, Claims	$24,500

2. This act shall take effect immediately and be retroactive to July 1, 1980.

Approved September 11, 1981.

CHAPTER 287

AN ACT to amend the "Savings and Loan Act (1963)," approved August 30, 1963 (P. L. 1963, c. 144).

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

1. Section 181 of P. L. 1963, c. 144 (C. 17:12B–181) is amended to read as follows:

C. 17:12B-181 Appointment of receiver.

181. The commissioner may institute an action in the Superior Court to restrain the State association from transacting further business, or from transferring or disposing of any of its property in any manner, or from paying excessive expenses of management, or for the removal of any attorney, conveyancer, officer, director, employee or agent of the State association, or for such other relief as the case may require. The court may proceed in the action in a summary manner or otherwise and may make such orders or enter such judgments as shall be equitable and just. In such an action the court may enter a temporary restraining order or preliminary injunction without notice to the association. Without limiting the generality of its powers, the court may, upon application by the commissioner, appoint a receiver, with power to take possession, manage and dispose of all of the association's real and personal property, books and records and to hold and dispose of the proceeds thereof, as the court shall direct.

2. Section 182 of P. L. 1963, c. 144 (C. 17:12B–182) is amended to read as follows:

C. 17:12B-182 Commissioner's authority.

182. Commissioner's authority. The commissioner may forthwith take charge of the State association and possession of all its real and personal property, books and records, and continue the operation of its business until such possession and management shall be returned to its board, or until such State association shall merge, reorganize, dissolve and commence liquidation, or go into receivership.

3. Section 185 of P. L. 1963, c. 144 (C. 17:12B–185) is amended to read as follows:

C. 17:12B-185 Powers of commissioner in possession.

185. Powers of commissioner in possession. The commissioner shall have full and complete powers necessary to enable him to determine promptly and efficiently whether it is for the best interests of the State association's creditors, members and the public that it be continued as a going concern or that it be merged, reorganized or dissolved and liquidated. Without limiting the generality of his powers, he shall have power to:

(a) Continue the operation of the State association's business.

(b) Conserve its assets and business.

(c) Pay its debts and operating expenses.

(d) Collect moneys due to it.

(e) Compromise and settle claims by and against it.

(f) Exercise any power conferred by this chapter on the State association or its board.

(g) Call meetings of its members.

(h) Declare the association closed under State law or take whatever other action he deems necessary to assist the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation to exercise their powers under federal law.

4. Section 199 of P. L. 1963, c. 144 (C. 17:12B–199) is amended to read as follows:

C. 17:12B-199 Mergers; procedure.

199. The boards of the State associations desiring to merge, shall each pass a resolution indicating such desire by at least a ⅔ vote of each of the respective boards. The directors of the merging associations shall then have the power to process the proposed merger. The directors of the merging associations shall then file their resolutions with the commissioner for his approval. Simultaneously with the submission of the resolutions to the commissioner, the boards of the merging State associations may submit their resolutions to the members of their respective State associations by mailing a copy of the same to their members at their addresses appearing on the books of the State associations and they may, within 10 days of filing said resolutions with the commissioner, publish notice of such action in form approved by the commissioner, in a newspaper or newspapers published in the municipalities where the principal office and branches of each merging association are located or if there be no such newspaper then in a newspaper published in the county having a substantial circulation in said municipalities. Notice of such action shall also

be posted in a prominent place in each office of the merging associations.

Any member shall have the right to file his objection to the proposed merger with the commissioner within 15 days from the date such resolution is filed with the commissioner and mailed to them, or if newspaper publication is utilized within 15 days from the date of such publication, and this right of the members shall be made part of whatever notice method is used. Not less than 30 days nor more than 45 days, after the resolutions are filed with the commissioner or newspaper publication is accomplished, the commissioner shall approve or disapprove the application. The commissioner shall give due consideration to any objections filed by members of the merging State associations and he shall determine whether the proposed merger is in the interest of the public and of the members of the merging State associations in reaching his decision. The commissioner shall mail a written copy of his opinion, approving or disapproving any applications submitted under this section, to the applying State associations.

Notwithstanding any of the above requirements, upon finding that the interests of the public and the members of the merging institutions will be served by expedited approval of a plan of merger, the commissioner may approve the proposed plan of merger on such an expedited basis. If approval is reached by the commissioner on such an expedited basis, notice to members of the merged institutions shall be given in a manner specified by the commissioner.

5. This act shall take effect immediately.

Approved September 11, 1981.

CHAPTER 288

AN ACT requiring the Department of Health to establish programs to identify, diagnose and refer persons who have been exposed to the drug diethylstilbestrol and educate health care professionals in the detection and treatment of DES-related disorders.

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

C. 26:2-113 Legislature's findings.

1. The Legislature finds that the effective identification, diagnosis, care and treatment of persons who have been exposed to diethylstilbestrol, commonly referred to as DES, is of paramount public importance; that DES, a synthetic estrogen-type hormone, was extensively administered between 1940 and 1970 to pregnant women threatened with miscarriage; that, subsequently, a causal relationship was found between DES and an unusual type of cervical and vaginal cancer in the daughters of persons who took the drug during pregnancy; that use of DES during pregnancy has been discontinued as a result of these findings, but that as many as 75,000 persons in New Jersey may have been exposed to the drug during its period of usage.

The Legislature further finds that the magnitude of this problem may only be realized in the next few years as the daughters of women exposed to the drug reach reproductive age, the time when such abnormalities become apparent; that the situation is compounded by the relative newness of the studies associating DES with cancer and the uncertainty over the implications of recent research; and that many physicians are not yet familiar with detection and treatment techniques because the problem has been relatively recently identified.

Therefore, the Legislature declares that it is imperative that programs be established to identify and diagnose persons who have been exposed to the drug diethylstilbestrol, to refer them to sources of care and treatment, and to provide an education program for physicians and other health care professionals so that exposed persons may benefit from the best possible diagnostic procedures and treatment.

C. 26:2-114 Definitions.

2. As used in this act:

a. "Primary screening" means the initial evaluation of a person through history, physical examination and routine tests to determine the possible existence of physical changes due to diethylstilbestrol exposure; and

b. "Secondary screening" means a follow-up evaluation with specialized diagnostic measures of a person identified in a primary screening as having a high probability of being diethylstilbestrol exposed, in order to confirm the existence of changes attributed to that exposure.

C. 26:2-115 Programs; establishment.

3. The Commissioner of the Department of Health shall establish:

a. A program to educate the public and health care professionals involved in primary screening about the potential hazards and afflictions which may be related to exposure to diethylstilbestrol and the symptoms and prevention of associated malignancies. The program shall include a public information campaign on diethylstilbestrol to encourage persons exposed to the drug to seek medical care for the prevention or treatment of any malignant condition.

b. Secondary screening programs for diethylstilbestrol exposed persons through contract with licensed health care facilities. In contracting for the secondary screening programs, consideration shall be given to the location of the facility in relation to the concentration of population within the State and the capacity of the facility to properly conduct a secondary screening program. Each contract for a secondary screening program shall be upon such terms and conditions as the Commissioner of Health determines; but each facility shall charge each person receiving services a fee as determined by the commissioner. Where provided, all third party payors shall be accepted and utilized in securing payment for services.

c. Continuing education programs for health care professionals involved in the diagnosis and treatment of diethylstilbestrol exposed persons.

C. 26:2-116 Registry; enrollment.

4. The Commissioner of the Department of Health shall maintain a registry of women who took diethylstilbestrol during pregnancy and their offspring who were exposed to diethylstilbestrol prenatally for the purpose of follow-up care and treatment of long-term problems associated with diethylstilbestrol exposure. Enrollment in the registry shall be upon a voluntary basis.

C. 26:2-117 Annual report.

5. The Department of Health shall make an annual report to the Legislature, through the President of the Senate, Speaker of the General Assembly and Chairmen of the Senate and Assembly Institutions, Health and Welfare Committees of its findings and recommendations concerning the effectiveness, impact and benefits derived from the programs created herein, and any recommendations for legislative changes deemed necessary.

6. This act shall take effect immediately.

Approved September 23, 1981.