[First Reprint]

ASSEMBLY, No. 5835

**STATE OF NEW JERSEY**

220th LEGISLATURE



INTRODUCED DECEMBER 4, 2023

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Senator JAMES BEACH

District 6 (Burlington and Camden)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Atkins and Assemblywoman Mosquera

SYNOPSIS

Authorizes regional authority to develop and operate regional rehabilitation and reentry center.

CURRENT VERSION OF TEXT

As reported by the Assembly Law and Public Safety Committee on December 11, 2023, with amendments.



**An Act** authorizing the establishment of a regional authority to develop and operate a rehabilitation and reentry center and supplementing Title 40A of the New Jersey Statutes.

**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 "Regional Rehabilitation and Reentry Center Authority Act."

2. As used in P.L. , c. (C. ) (pending before the Legislature as this bill):

"Authority" means a regional rehabilitation and reentry center authority established pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

"Bonds" means any bonds, interim certificates, notes, debentures, or other obligations issued by the authority pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill).

"Center" means a regional rehabilitation and reentry center developed, maintained, and operated by an authority pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

"Inter-county agreement" or "agreement" means an agreement as provided in section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill), defining the rights and responsibilities of the authority and its members, as may be amended.

"Local Finance Board" means the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs.

"Management committee" or "committee" means a management committee established pursuant to section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill).

3. a. One or more county governing bodies, may, by adoption of an ordinance **1**or resolution,**1** or parallel ordinances or resolutions, as appropriate, establish a regional rehabilitation and reentry center authority to develop, construct, maintain, and operate a regional rehabilitation and reentry center. Upon adoption of the parallel ordinances or resolutions, the counties shall negotiate and agree to a proposed inter-county agreement for the operation of the authority. The counties that enter into the inter-county agreement may amend the agreement as provided in subsection c. of this section.

b. Copies of a proposed inter-county agreement shall be submitted to the Local Finance Board for review and consideration. The Local Finance Board shall approve or deny the agreement and file its approval or denial with the clerk of the board of commissioners of each county seeking to enter the agreement. If the Local Finance Board does not deny the proposed agreement within 60 days of receipt, the proposed agreement shall be deemed approved and the authority shall be established in accordance with the terms of the agreement.

c. A county may request to become a member of the authority by negotiating an amended inter-county agreement with the authority, through the management committee. Upon entry into a proposed amended inter-county agreement, the authority shall submit the proposed amended inter-county agreement to the Local Finance Board for approval or denial of the proposed amended agreement. If the Local Finance Board does not deny a proposed amended agreement within 60 days of receipt, the proposed amended agreement shall be deemed approved.

4. An inter-county agreement made pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall provide:

a. the name and purpose of the authority and the functions and services to be provided by the authority;

b. the establishment and organization of a governing committee for the authority, which shall be known as the management committee, in which the powers of the authority shall be vested. The management committee shall be comprised of one representative from each county who shall:

(1) be annually appointed by the board of commissioners of the county;

(2) hold the position for a period of one year, commencing on January 1 of each year; and

(3) be authorized to choose a designee to execute the duties of their position;

c. if there are an even number of counties, the county with the greatest number of inmates and pretrial detainees to be housed at the center at its opening and for any subsequent year the greatest number housed at the center as of November 1 in the year prior, shall appoint an additional committee member for a term of one year, commencing January 1 of each year;

d. the manner of selection of a head warden of the regional rehabilitation and reentry center and any related satellite facilities and the wardens that shall represent each county;

e. the manner of selection and duties of the director, deputy director, treasurer, chief financial officer, and secretary, who all shall serve a term of one year commencing January 1 of each year, and the selection of any other officers or authority staff, as determined by the committee;

f. the voting requirements for action by the committee, including the requirements for how many members constitute a quorum;

g. the duties of the committee, which shall include the obligation to comply with the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) except as otherwise provided in P.L. , c. (C. ) (pending before the Legislature as this bill), and the laws of this State and, in addition, with every provision in the inter-county agreement creating the authority on its part to be kept or performed;

h. in the event of a committee vacancy, the vacancy shall be filled by a majority vote of the management committee at the next meeting following the date of vacancy on an interim basis, until the time that the appointing board of county commissioners makes a formal appointment to the committee for the remainder of the term;

i. the manner in which counties may withdraw from participation in the inter-county agreement;

j. provisions for the disposition, division, or distribution of any property or assets of the authority on dissolution;

k. the terms of the inter-county agreement and the method, if any, by which the inter-county agreement may be rescinded or terminated; however, the inter-county agreement shall not be rescinded or terminated so long as the authority has bonds outstanding, unless provision for full payment of the bonds, by escrow or otherwise, has been made pursuant to the terms of the bonds or the resolution, trust indenture, or security instrument securing the bonds; and

l. that the management committee shall conduct meetings in conformity with the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.) and shall meet at least once during each quarter of the calendar year, with special meetings convened by the director or upon the request of at least two committee members, with at least 48 hours’ notice by telephone or email to all members of the management committee.

5. An officer or employee of an authority shall not have or acquire an interest, direct or indirect, in property, a contract, or a proposed contract for materials, services, or supplies to be furnished, to or used by, the authority, any of the counties, or the center.

6. An authority shall be a public body politic and corporate, established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare. The authority shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate and shall have taxing power. The authority shall be a "contracting unit" for purposes of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), shall have perpetual succession until termination or dissolution in accordance with the agreement, and shall have the powers to:

a. adopt and have a common seal and to alter the same at pleasure;

b. sue and be sued;

c. acquire, own, rent, hold, lease, as lessor or lessee, use and sell or otherwise dispose of, mortgage, pledge, or grant a security in, any real or personal property, commodity, or service or interest therein;

d. plan, develop, acquire, construct, reconstruct, operate, manage, dispose of, participate in, maintain, repair, extend, or improve a center or satellite facility, and act as agent, or designate one or more other persons employed by or contracting with the center to act as its agent, in connection with the planning, acquisition, construction, operation, maintenance, repair, extension, or improvement of the center, and provision to the members of rehabilitation and reentry services, to meet the needs of the members and the State, which shall include the hiring of experts to perform a population review and projected bed needs;

e. make and execute additional contracts and other instruments necessary or convenient to the exercise of its powers;

f. employ agents and employees, without regard to the provisions of Title 11A, Civil Service, of the New Jersey Statutes, but does not preclude employees from entering or becoming party to a collective bargaining agreement;

g. contract with any person, entity, or public agency within or outside the State of New Jersey for the construction or operation of the center, or for any interest or share therein, on terms and for a period of time as its committee shall determine;

h. incur indebtedness through the issuance of bonds, provide for and secure the payment of any bonds and the rights of the holders thereof, and to purchase, hold, and dispose of any bonds;

i. accept gifts or grants of real or personal property, money, material, labor, or supplies solely for the purposes and exclusive use and benefit of the authority, and to make and perform those agreements and contracts as may be necessary or convenient in connection with the procuring, acceptance, or disposition of the gifts or grants;

j. make and enforce by-laws or rules and regulations for the management and regulation of its business and affairs and for the use, maintenance, and operation of its properties and to amend its by-laws;

k. do and perform any acts and things authorized by P.L. ,   
c. (C. ) (pending before the Legislature as this bill), through or by means of its own officers, agents, and employees, or by contract with any person;

l. enter into contracts, execute instruments, and do and perform all things necessary, convenient, or desirable for the purposes of the authority, or to carry out any power expressly authorized under P.L. , c. (C. ) (pending before the Legislature as this bill);

m. join organizations, including private or trade organizations, which the committee has deemed to be beneficial to the accomplishment of the authority's purposes;

n. invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, including the proceeds from the sale of any bonds, in those obligations, securities, and other investments as the authority deems to be proper and are authorized pursuant to law **1[**.**]** ; and**1**

o. introduce an annual budget by January **1[**26**]** 26th**1** of each year and adopt a budget by February 25th of each year. Procedures for budget introduction and adoption shall be made pursuant to the "Local Budget Law," N.J.S.40A:4-1 et seq., be subject to the cap on calculation of adjusted tax levy by local units pursuant to N.J.S.40A:4-45.45, and shall include the following:

(1) an amount to be raised by taxation, which shall be conveyed to the Board of Taxation in each participation county within 15 days of the adoption of the budget;

(2) the chief financial officer of the authority shall certify the Average Daily Population (ADP) of the inmates from each participating county, for the previous year, by February 1st of each year;

(3) based on the ADP, the chief financial officer of the authority shall certify each county’s proportional share of inmates for the previous year. By February 15th of each year, the proportional share for each county shall be conveyed to the appropriate County Board of Taxation, to be used to calculate the amount of taxes to be levied in each of the participating counties. These taxes shall be assessed, levied, and collected within the respective taxing districts in the manner prescribed by law; and

(4) in each local budget year in which the function of a county jail is transferred from the county government to the authority, the county shall deduct from its final appropriations upon which its permissible county tax levy is calculated, the amount which the county expended for that function during the last full budget year it was included in the county budget.

7. a. In order to construct and operate the center, the authority shall have the power to authorize or provide for the issuance of bonds pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) for the purpose of raising funds to pay the cost of the construction or operation of the center and to fund or refund any bonds.

b. The authority, prior to any bond issuance, shall adopt a bond resolution that shall:

(1) describe in brief and general terms sufficient for reasonable identification the center or part thereof, to be constructed or acquired, or describe the bonds which are to be funded or refunded, if any;

(2) state the cost or estimated cost of the center, if any; and

(3) provide for the issuance of the bonds in accordance with sections 8 through 15 of P.L. , c. (C. through C. ) (pending before the Legislature as this bill).

8. Upon adoption of a bond resolution, the management committee, on behalf of the authority, shall have power to incur indebtedness, borrow money, and issue bonds for the purpose of financing the construction or operation of the center and any satellite facilities to meet the needs of its members or of funding or refunding the bonds issued pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill). The bonds shall be authorized by the bond resolution and may be issued in one or more series and shall bear the date or dates, mature at a time or times not exceeding 40 years from the date thereof or through the date for the expected dissolution of the authority pursuant to the agreement, whichever occurs first, bear interest at a rate or rates within a maximum rate as permitted by law, be in a denomination or denominations, be in a form, either coupon or registered, carry conversion or registration privileges, have a rank or priority, be executed in a manner, be payable from sources in a medium of payment at a place or places within or without the State, and be subject to the terms of redemption, with or without a premium, as the bond resolution may provide.

9. An authority may sell bonds at public or private sale, and at a price or prices the authority shall determine subject to the provisions of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.).

10. An authority shall file a copy of a bond resolution adopted by the management committee in its office and in the office of the clerk of the board of commissioners, and may publish, in a newspaper published or circulating in each county's community, a notice stating the fact and date of adoption of the bond resolution and the places where the authority has filed the bond resolution for public inspection, the date of the first publication of the notice, and that an action or proceeding in a court questioning the validity or proper authorization of bonds provided for by the bond resolution, or the validity of any covenants, agreements, or contract provided for by the bond resolution, shall commence within 20 days after the first publication of the notice. If the notice shall be published and if no action or proceeding questioning the validity of the establishment of the authority or the validity or proper authorization of bonds provided for by the bond resolution referred to in the notice, or the validity of any covenants, agreements, or contract provided for by the bond resolution shall be commenced or instituted within 20 days after the first publication of the notice, then the residents, taxpayers, and owners of property in each of the counties, and all other persons, shall be barred and foreclosed from instituting or commencing any action or proceeding in any court, or from pleading any defense to any action or proceedings, questioning the validity of the establishment of the authority, the validity or proper authorization of the bonds, or the validity of the covenants, agreements, or contracts. The authority shall be conclusively deemed to have been validly established and to be authorized to transact business and exercise powers as an authority pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), and the bonds, covenants, agreements, and contracts shall be conclusively deemed to be valid and binding obligations in accordance with their terms and tenor.

11. A bond or other obligation issued pursuant to P.L. ,   
c. (C. ) (pending before the Legislature as this bill) shall be fully negotiable for the purposes of the negotiable instruments law under Title 12A of the New Jersey Statutes, and each holder or owner of a bond or other obligation, or of any appurtenant coupon, by accepting the bond or coupon shall be conclusively deemed to have agreed that the bond, obligation, or coupon shall be fully negotiable for the purposes of the negotiable instruments law under Title 12A of the New Jersey Statutes.

12. Neither the members of the committee nor any person executing bonds issued pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) shall be liable personally on the bonds by reason of their issuance. Bonds or other obligations issued pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) shall not be a debt or liability of the State, and bonds or other obligations issued by the authority shall not be a debt or liability of the State, of any local unit, of any county, or of any municipality, and shall not create or constitute any indebtedness, liability, or obligation of the State of any local unit, of any county, or of any municipality, either legal, moral, or otherwise, and nothing in P.L. , c. (C. ) (pending before the Legislature as this bill) shall be construed to authorize the authority to incur indebtedness on behalf of or to obligate the State, any local unit, county, or municipality.

13. A bond resolution of an authority providing for or authorizing the issuance of bonds may contain provisions, and the authority shall, in order to secure the payment of the bonds in addition to its other powers, have the power by the provisions in the bond resolution to covenant and agree with the several holders of the bonds, as to the:

a. custody, security, use, expenditure, or application of the proceeds of the bonds;

b. construction and completion, or repair, of the center or a satellite facility;

c. use, regulation, operation, maintenance, insurance, or disposition of the center, of the authority, or restrictions on the exercise of the powers of the authority to dispose of, limit, or regulate the use of all or any part of the center;

d. payment of the principal of, or interest on, the bonds, or any other obligations, and the sources and methods thereof, the rank or priority of the bonds or obligations as to any lien or security, or the acceleration of the maturity of the bonds or obligations;

e. use and disposition of any monies of the authority, including any of the authority's revenues, derived or to be derived from the operation of the center, including any parts that are constructed or acquired as any of the center’s parts, extensions, or improvements;

f. pledging, setting aside, depositing, or acting as trustee for all or any part of the revenues or other monies of the authority to secure the payment of the principal of, or interest on, the bonds or any other obligations, or the payment of expenses of operation or maintenance of the center or satellite facility, and the powers and duties of any trustee;

g. setting aside moneys out of the revenues or other moneys of the authority including its reserves and sinking funds, and as to the source, custody, security, regulation, application, and disposition of the moneys described in this subsection;

h. determination or definition of the revenues or of the expenses of operation and maintenance of the center or satellite facilities;

i. rents, rates, fees, or other charges in connection with the use, products, or services of the center or satellite facilities, including any of the parts, extensions, replacements, or improvements of the center or satellite facilities constructed or acquired, and the fixing, establishment, collection, and enforcement of those charges, the amount of revenues produced, and the disposition and application of the amounts charged or collected;

j. assumption or payment or discharge of any indebtedness, liens, or other claims relating to the center or satellite facility for any obligations having or which may have a lien on any part of the center;

k. limitations on the issuance of additional bonds or any other obligations or on the incurrence of indebtedness of the authority;

l. vesting in a trustee within or without the State any property, rights, powers, and duties in trust as the authority may determine, which may include the rights, powers, and duties of the trustee appointed by the holders of bonds, and limiting or abrogating the right of the holders to appoint a trustee or limiting the rights, duties, and powers of the trustee;

m. payment of costs or expenses incident to the enforcement of the bonds or of the provisions of the bond resolutions or of any covenant or contract with the holders of the bonds;

n. procedure, if any, by which the terms of any covenant or contract with, or duty to, the holders of the bonds may be amended or abrogated, the amount of bonds that the holders of which must consent, and the manner in which the consent may be given or evidenced; and

o. any other matter or course of conduct which, by recital in the bond resolution, is declared to further secure the payment of the principal of, or interest on, the bonds.

The provisions of the bond resolution and the related covenants and agreements shall constitute valid and legally binding contracts between the authority and the several holders of the bonds, regardless of the time of issuance of the bonds, and shall be enforceable by any holder or holders by appropriate suit, action, or proceeding in any court of competent jurisdiction, or by proceeding in lieu of prerogative writ.

14. a. If the bond resolution of an authority authorizing or providing for the issuance of a series of its bonds provides that the bond holders of the series are entitled to the benefits of this section, then, in the event that there is a default in the payment of the principal of, or interest on, any bonds of the series after the bonds become due, whether at maturity or upon call for redemption, and the default shall continue for a period of 30 days, or in the event that the authority fails or refuses to comply with the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) or fails or refuses to carry out and perform the terms of any contract with the holders of those bonds, and that failure or refusal shall continue for a period of 30 days after written notice to the authority of its existence and nature, the holders of 25 percent in aggregate principal amount of the bonds and the series then outstanding by instrument or instruments filed in the office of the Secretary of State and proved or acknowledged in the same manner as a deed to be recorded, the bond holders may appoint a trustee to represent the bond holders of the series for the purposes provided in this section.

b. The trustee, appointed pursuant to subsection a. of this section, may and upon written request of the holders of 25 percent in aggregate principal amount of the bonds of the series then outstanding shall, in the trustee's or its own name:

(1) by any action, writ, proceeding in lieu of prerogative writ, or other proceeding, enforce all rights of the holders of the bonds, including to require an authority to carry out and perform the terms of a contract with the holders of the bonds or its duties pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill);

(2) bring an action upon all or any part of the bonds or appurtenant interest coupons or claims;

(3) by action, require authority to account as if it were the trustee of an express trust for the holders of the bonds;

(4) by action, enjoin any acts that may be unlawful or in violation of the rights of the holders of the bonds; and

(5) declare all the bonds due and payable, whether or not in advance of maturity, upon 30 days' prior notice in writing to the authority and, if all defaults shall be made good, then with the consent of the holders of 25 percent of the principal amount of the bonds then outstanding, annul the declaration and its consequences.

c. The trustee shall, in addition to the powers provided in subsections a. and b. of this section, possess all of the powers necessary for the exercise of the functions specifically set forth herein or incident to the general representation of the holders of bonds of the series in the enforcement and protection of their rights.

d. In any action or proceeding by the trustee, the fees, counsel fees and expenses of the trustee and of the receiver, if any, appointed pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill), shall constitute taxable costs and disbursements, and all costs and disbursements, allowed by the court, shall be a first charge upon any service charges and system revenues of the authority pledged for the payment or security of bonds of the series.

15. If the bond resolution of an authority authorizing or providing for the issuance of a series of its bonds provides that the bond holders of the series are entitled to the benefits of section 14 of P.L. , c. (C. ) (pending before the Legislature as this bill), and further provides that any trustee appointed pursuant to that section or having the powers of a trustee shall have the powers provided by this section, then the trustee, whether or not all of the bonds of the series have been declared due and payable, shall be entitled as of right to the appointment of a receiver of the assets of the authority, and the receiver may enter upon and take possession of the assets of the authority and, subject to any pledge or contract with the holders of the bonds, shall take possession of all monies and other property derived from or applicable to the acquisition, construction, operation, maintenance, or reconstruction of the assets of the authority, and proceed with the acquisition, construction, operation, maintenance, or reconstruction that an authority is under an obligation to do, and operate, maintain, and reconstruct a center, and fix, charge, collect, enforce, and receive the revenues thereafter arising subject to any pledge thereof or contract with the holders of the bonds and perform the public duties and carry out the contracts and obligations of an authority in the same manner as the authority, and under the direction of the court.

16. All property of an authority shall be exempt from levy and sale by virtue of an execution of a court of competent jurisdiction and no execution or other judicial process shall issue against an authority nor shall any judgment against an authority be a charge or lien upon its property, provided that nothing in this section shall apply to or limit the rights of the holder of any bonds to pursue a remedy for the enforcement of any pledge or lien given by an authority, revenues, or other monies.

17. Notwithstanding the provisions of any law to the contrary, the State and all public officers, municipalities, counties, political subdivisions of public bodies, and agencies thereof, all banks, bankers, 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, monies, or other funds, in any bonds of an authority, and the bonds shall be authorized security for public deposits.

18. The center, any satellite facilities, and any associated property or projects owned by an authority, including any pro rata share of any property that is owned by an authority in conjunction with any other person or public agency and used in connection with a center shall be public property and devoted to an essential public and governmental function and purpose, and the property, an authority, and its income shall be exempt from taxes and special assessments of the State or any subdivision of the State. The bonds issued by the authority shall be for an essential public and governmental purpose and to be a public instrumentality in the bonds, and the interest and the income and funds, revenues, and other monies pledged or available to pay or secure the payment of the bonds, or interest, shall be exempt from taxation except for transfer, inheritance and estate taxes, and taxes on transfers by or in contemplation of death.

19. The State of New Jersey shall pledge to and covenant and agree with the holders of any bonds issued pursuant to a bond resolution of the authority, that the State shall not limit or alter the rights vested in an authority to acquire, construct, operate, and participate in the construction and operation of a center, and to fulfill the terms of any agreement made with the holders of the bonds or other obligations, shall not in any way impair the rights or remedies of these holders, and shall not modify in any way the exemptions from taxation provided for in P.L. , c. (C. ) (pending before the Legislature as this bill) until the bonds, together with their interest, with interest on any unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of these holders, are fully met and discharged.

20. All banks, bankers, trust companies, savings banks, investment companies, and other persons carrying on a banking business shall be authorized to give to an authority a sufficient undertaking with those sureties as shall be approved by the authority to the effect that the bank or banking institution shall faithfully keep and pay over to the order of or upon the warrant of an authority or its authorized agent, all funds as may be deposited with it by the authority and agreed interest, at times or upon demands as may be agreed with the authority or in lieu of these sureties, deposit with the authority or its agent or any trustee therefor or for the holders of any bonds, as collateral, the securities as the authority may approve. The deposits of the authority may be evidenced or secured by a depository collateral agreement in a form and upon terms and conditions as may be agreed upon by the authority and the bank or banking institution.

21. An authority shall conduct an annual audit of its accounts, and for this purpose shall employ a certified public accountant licensed pursuant to the laws of the State. The audit shall be completed and filed with the authority within four months after the close of its fiscal year and the authority shall file a certified duplicate with the Director of the Division of Local Government Services in the Department of Community Affairs within five days after the original report is filed with the authority.

22. The authority shall file a copy of each bond resolution adopted by it with the Director of the Division of Local Government Services in the Department of Community Affairs, together with a summary of the dates, amounts, maturities, and interest rates of the issued bonds.

23. Anything not considered in P.L. , c. (C. ) (pending before the Legislature as this bill) but necessary for the operation of the authority shall be negotiated in the agreement between the authority and the participating counties.

24. This act shall take effect immediately.