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# THE NEW JERSEY REGISTER

Vol. 2—No. 12

NEW JERSEY, DECEMBER 10, 1970

2 N. J. R. 97



## THE NEW JERSEY REGISTER

A Publication of the State of New Jersey

WILLIAM T. CAHILL, Governor  
Paul J. Sherwin, Secretary of State  
Albert E. Bonacci, Director of Administrative Procedure  
Melvin E. Mounts, Rules Analyst  
John K. Barnes, Editor

The New Jersey Register is published the Thursday after the first Monday of each month by the Division of Administrative Procedure of the Department of State, 10 North Stockton Street, Trenton, New Jersey 08646. Telephone: (609) 292-0068.

The New Jersey Register is printed and distributed through the facilities of the New Jersey Law Journal, designated pursuant to the Administrative Procedure Act, Chapter 410, Laws of 1968 (N.J.S.A. 52:14B-1 et seq.), as the official organ for publication.

The New Jersey Register is printed and distributed by the New Jersey Law Journal without compensation, as a service to the State of New Jersey and the legal profession.

The New Jersey Register is the official publication containing notices of proposed rules and rules filed by the administrative agencies of the State pursuant to the New Jersey Constitution, Art. V, Sec. IV, Para. 6 and the Administrative Procedure Act, N.J.S.A. 52:14B-5.

Subscriptions to the New Jersey Register are available from the Division of Administrative Procedure. One year, \$6. Single issue, 50 cents.

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THURSDAY, DECEMBER 10, 1970

## NOTICE OF RULE-MAKING ACTIVITIES OF STATE AGENCIES

The following digests, notices, and texts of rules, regulations and codes filed by Administrative Agencies during the preceding month have been prepared by the Office of the Director of the Division of Administrative Procedure, Department of State, pursuant to Section 4 (a) (1) and Section 7 (b) of Chapter 410 of the Laws of 1968.

(a)

### AGRICULTURE DIVISION OF DAIRY INDUSTRY Notice of Hearing

Notice is hereby given that W. W. Moffett, Jr., Director of the Division of Dairy Industry in the Department of Agriculture, pursuant to powers conferred by N.J.S.A. 4:12A-1 et seq., began a public hearing at 10:30 a.m. on December 7, 1970 in the Museum Room of the War Memorial Building in Trenton; which hearing will continue on Monday through Thursday of each week until such date as all evidence and testimony have been received.

The hearing has been called pursuant to an order of the New Jersey Supreme Court for the purpose of receiving evidence and hearing testimony, under oath, "with respect to the question whether there is any public need within the scope of the statute for the continuance of regulation as to minimum prices at any level [and] . . . with respect to the matters involved in the questions submitted by [the New Jersey Supreme Court] to the Division in the Court's memorandum of March 19, 1970 . . ."

Copies of the Court's memorandum may be obtained from the Director, Division of Dairy Industry, P.O. Box 1999, Trenton, New Jersey 08625.

At the hearing, all interested parties including consumers, dairy farmers, milk dealers, milk processors, milk subdealers, stores who sell milk or any other person having information pertinent to the foregoing matters are invited to attend and submit evidence and testimony, under oath, relative thereto.

W. W. Moffett, Jr., Director  
Division of Dairy Industry  
Department of Agriculture

NOTE: The above notice was published November 30, 1970 in four New Jersey newspapers of general circulation and copies of the notice were mailed to milk dealers and subdealer licensees of the Division on Nov. 25, 1970.

(b)

### AGRICULTURE DIVISION OF DAIRY INDUSTRY Milk Marketing Order No. 57-3

On October 26, 1970, W. W. Moffett, Jr., Director of the Division of Dairy Industry in the New Jersey Department of Agriculture, pursuant to authority of N.J.S.A. 4:12A-25, and in conformance with the Memorandum of Agreement between the United States Department of Agriculture and the Director of the New Jersey Office of Milk Industry (now Division of Dairy Industry), participated in a public hearing held in New York City on April 6-14, 1970, pursuant to the notice thereof issued on March 25, 1970.

After considering all of the evidence introduced at the hearing and the record thereof, and being in agreement with the findings and determinations made by the United States Department of Agriculture as contained in the Decision supporting the amendment to the Federal Order regulating the New York-New Jersey Milk Marketing Area, signed in Washington, D.C., on October 5, 1970, by Richard E. Lyng, Assistant Secretary, United States Department of Agriculture, the Director of the Division of Dairy Industry concurs with the findings and determinations as they pertain to the New York-New Jersey Milk Marketing Area.

The Director of the Division of Dairy Industry also concurs with the Order Amending Order No. 2 which regulates that handling of milk in the New York-New Jersey Milk Marketing Area, effective November 1, 1970, signed in Washington, D.C. on October 26, 1970, by Richard E. Lyng. Therefore, the Director of the Division of Dairy Industry, in cooperation with the United States Department of Agriculture, hereby finds and determines that:

Milk Marketing Order No. 57-3, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Statute.

It is therefore ordered, That on and after the effective date hereof, Milk Marketing Order No. 57-3, as amended, shall be further amended by the adoption of the Order Amending Order No. 2, promulgated by the United States Department of Agriculture, as it pertains to the New York-New Jersey Milk Marketing Area. The text of the complete Milk Marketing Order No. 57-3 is on file for public inspection at the office of the Division of Dairy Industry, Health-Agriculture Building, John Fitch Plaza, Trenton, New Jersey. Effective date: November 1, 1970.

A copy of the above order was filed November 4, 1970 as R.1970 d.133A.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(c)

### BANKING THE COMMISSIONER

#### Proposed Limit on Amounts of Real Estate Loans and Investments

James C. Brady, Jr., Commissioner of Banking, pursuant to authority delegated by Section 168 of the "Savings and Loan Act (1963)" as amended (N.J.S.A. 17:12B-168), proposes to adopt the following regulation concerning the limitation on amounts of real estate loans and investments for State chartered savings and loan associations:

The amount of any real estate loan or investment by a State association for "any one property," as that language is used in Section 168, containing more than one "dwelling unit," as hereinafter defined, shall not exceed \$40,000.00 per dwelling unit and the present loan limitation of \$35,000.00 for "any one property" or an amount equal to 2 1/2% of a State association's assets, whichever is greater, is increased accordingly. The total amount owing to a State association upon all such loans and investments in excess of \$40,000.00 per dwelling unit, as defined herein, shall not exceed 40% of the aggregate amount owing to it on all of its mortgage loans at the time any such loan or investment in excess of \$40,000.00 per dwelling unit is made.

"Dwelling unit," as used in this regulation, is defined as a single unified combination of rooms designed for residential use by one family.

"State associations," as used in this regulation, is defined in Section 5 of the "Savings and Loan Act (1963)", (N.J.S.A. 17:12B-5).

In the promulgation of this regulation, consideration has been given to current economic conditions, particularly the increased costs of construction, and the significant need for multi-family housing in the State of New Jersey, and is further directed toward creating and maintaining substantial equality between State associations and Federal savings and loan associations to the end that no class or group of associations shall have any substantial competitive advantage over another.

Interested persons are invited to submit statements or

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arguments, orally in person by appointment, by telephone or in writing relevant to the proposed action to:

Office of the Commissioner  
Department of Banking  
Room 265, State House Annex  
Trenton, New Jersey 08625  
Telephone: (609) 292-5381

on or before December 31, 1970.

The Commissioner of Banking, upon his own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as set forth without further notice.

James C. Brady, Jr.  
Commissioner of Banking

(d)

### BANKING THE COMMISSIONER

#### Proposed Rule Implementing Governmental Unit Deposit Protection Act

James C. Brady, Jr., Commissioner of Banking, pursuant to authority of N.J.S.A. 17:9-41, proposes to adopt a rule relating to the implementation of the Governmental Unit Deposit Protection Act, as follows:

##### 1. PUBLIC DEPOSITORY; ACCEPTANCE OF DEPOSITS

No deposit may be accepted from a governmental unit by any public depository unless the public depository secures such deposit in accordance with the Governmental Unit Deposit Protection Act (hereinafter called The Act).

##### 2. PUBLIC DEPOSITORY; FILING OF CERTIFIED STATEMENT

Every public depository shall file with the Commissioner of Banking, on forms furnished by the Commissioner, a certified statement signed by its president or vice president and one other officer indicating the average daily balance of either collected or uncollected public funds on deposit during the six month period ending on the next preceding valuation date (June 30 or December 31 of each year). The statement shall include information as to the capital funds of the depository and detailed information, including location pertaining to the eligible securities pledged to secure public funds. The statement shall be filed as of June 30 and December 31 of each year and at such other times as the Commissioner may require. In addition, a public depository which had public funds on deposit during the six month period prior to December 1, 1970 is required to file a certified statement for such period.

**Governmental Unit Deposit—continued**

**3. CERTIFIED STATEMENTS; TIME FOR FILING**

A certified statement required to be filed pursuant to the Act or these regulations shall be filed with the Commissioner within twenty days of the date required by law, regulation or the Commissioner.

**4. PUBLIC DEPOSITORY; COMPUTATION**

a. A public depository which has public funds on deposit for more than fifteen calendar days but less than the full six month period preceding the semi-annual valuation date shall compute the aforesaid average based on the actual number of calendar days that public funds were on deposit in said depository and such figures shall be its average for the reporting period. In the event a public depository has no public funds on deposit on a valuation date, it shall indicate same on the certified statement and compute the aforesaid average, if any, for the reporting period. If a public depository holds public funds on deposit for less than fifteen calendar days during a reporting period, it need not compute the aforesaid average for that period.

b. While a public depository is not required to have securities pledged if it does not have public funds on deposit on a valuation date, it is required to use the aforesaid average, if any, computed on the preceding valuation date as its basis for securing public deposits should it resume accepting such deposits during the six month period subsequent to the preceding valuation date. If a public depository does not maintain its pledge of securities as a result of not having public funds on deposit on a valuation date, it shall file a certified statement with the Commissioner disclosing same at the time it resumes accepting deposits. If the public depository maintains its pledge based on the said reported average notwithstanding that it has no balance on a valuation date, it may resume accepting public funds without filing an additional certified statement.

c. If a public depository had no average daily balance of public funds on deposit at the time of the last valuation date, it shall compute the average daily balance of the public funds subsequently acquired for the first fifteen calendar days following acquisition of such deposits and submit a certified statement to the Commissioner disclosing such average and such other information as may be required in the certified statement. If the aforesaid fifteen day period overlaps a valuation date, the period shall commence on the first date deposits are received.

**5. PUBLIC DEPOSITORY; PUBLIC FUNDS EXCEEDING 75% OF CAPITAL FUNDS**

A public depository which receives and holds on deposit for any period exceeding fifteen calendar days public funds of a governmental unit or units which in the aggregate exceed 75% of the capital funds of the public depository as reported on the last valuation date shall file a certified statement with the Commissioner indicating the amount of such excess and a description of the eligible securities pledged to secure said excess. Such collateral shall have a market value at least equal to the amount of such excess and shall be in addition to the 5% security required to be maintained and as noted in the last semi-annual certified statement.

**6. CERTIFIED STATEMENT; RETENTION**

A public depository shall retain copies of its certified statement as filed with the Commissioner and any supporting workpapers for a period of three years. Such statements and workpapers shall be made available to examiners when the public depository is examined by the Commissioner or any supervising federal agency.

**7. SCOPE OF TERMS SURPLUS AND UNDIVIDED PROFITS**

As included within the definition of capital funds in section 1 of the Act:

a. The terms "surplus" and "undivided" profits shall, in the case of a State bank or national bank, include any reserve for contingency, reserve for securities and reserve for bad debts as computed for federal income tax purposes, but shall exclude any specifically allocated reserves or reserves for known specific charges.

b. The terms "surplus" shall, in the case of a savings bank, include undivided profits, any reserve for contingency, reserve for securities and reserve for bad debts as computed for federal income tax purposes, but shall exclude any specifically allocated reserve or reserves for known specific charges.

c. The term "undivided profits" shall, in the case of an association, include any reserve for contingency and included within the definition of capital funds in section 1 of the act, reserve for bad debts as computed for federal income tax purposes, but shall exclude any specifically allocated reserves or reserve for known specific charges.

**8. SUBSTITUTION OF SECURITIES**

Public depositories shall have the right to make substitutions of eligible securities between valuation dates without notification to and approval by the Commissioner, provided that any substituted securities have a market value as of the date of substitution which is at least equal to the market value of the securities so replaced as reported on the last valuation date. Any withdrawal of pledged securities without replacement as mentioned aforesaid requires the prior approval of the Commissioner. A letter to the Commissioner requesting such a withdrawal of securities shall indicate the securities to be withdrawn and the reason or reasons for such withdrawal. The Commissioner shall transmit in writing his approval or disapproval of such withdrawal to the public depository.

**9. AGREEMENT OR RESOLUTION; CUSTODIAL DEPOSITORY AND COMMISSIONER**

The depositories specified in section 4C, P.L. 1970, Chapter 236, shall be known as custodial depositories.

a. A custodial depository of a State bank, national bank or savings bank shall be required to have a written agreement with the Commissioner which will authorize, such

depository to hold securities as collateral for public funds under the terms and conditions enumerated therein.

b. A custodial depository of an association shall be required to have a written agreement or, in the case of the Federal Home Loan Bank, a resolution filed with the Commissioner, authorizing such depository to hold such securities as collateral for public funds under the terms and conditions enumerated in such agreement or resolution.

**10. AGREEMENT OR RESOLUTION; PUBLIC DEPOSITORY AND CUSTODIAL DEPOSITORY**

a. Each public depository which is a State bank, national bank or savings bank shall be required to have a written agreement with a custodial depository. Said agreement shall indicate that the securities pledged are to be held subject to the order of the Commissioner or his authorized Deputy and are held as security for public funds as required under the Act.

b. Each public depository which is an association shall be required to have either of the following:

(1) A written agreement with a custodial depository if the custodial depository is not the Federal Home Loan Bank; or

(2) If the custodial depository is the Federal Home Loan Bank, a resolution of the association, as provided in Section 524.5 of the regulations of the Federal Home Loan Bank System.

The aforesaid written agreement or resolution shall indicate that the securities pledged are to be held subject to the order of the Commissioner or his authorized Deputy and are held as security for public funds as required under the Act.

**11. SECURITY; STATE AND OTHER PUBLIC DEPOSITS**

The securing of public deposits as required under the Act shall not preclude any public depository from securing State or other public deposits which are otherwise required to be secured by law. The deposits which are otherwise required to be secured shall be excluded from the computation of the average daily balance of public funds as required hereinabove.

**12. RECORDS MAINTAINED BY COMMISSIONER, ELIGIBILITY**

The Commissioner of Banking shall maintain such records as he shall deem necessary in order to determine which public depositories have complied with the provision of the Act. After receipt of the periodic certified statement, the Commissioner shall give written notification to each reporting public depository of its eligibility to act as a depository for public funds.

Interested persons may present statements or arguments in writing, relevant to the proposed action before 5:00 p.m., Jan. 8, 1971 to:

Roger F. Wagner  
Deputy Commissioner  
Department of Banking  
State House Annex  
Trenton, New Jersey 08625

The Department of Banking, upon its own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as proposed without further notice.

James C. Brady, Jr.  
Commissioner of Banking

(a)

**BANKING**

**THE COMMISSIONER**

**Proposed Rule Concerning Short Term Investment of Cash in Fiduciary Accounts**

James C. Brady, Jr., Commissioner of Banking, pursuant to authority of N.J.S.A. 17:9A-43, proposes to adopt a rule relating to the short term investment of variable amounts of cash held in various fiduciary accounts, as follows:

(A) Cash held for various fiduciary accounts may be invested on a short-term basis in a variable amount note of a single borrower by a bank defined in N.J.S.A. 17:9A-36(2). Participating accounts will thus be provided with a readily accessible medium for short-term investment of their cash balances.

Under this arrangement, the borrower delivers his note to evidence the amount of the loan outstanding from time to time. The note may be a demand obligation or have a fixed maturity (in which case it is understood that the borrower will renew the note at maturity) and may set forth provisions concerning the rate and payment of interest in the note or in a separate agreement to which reference is made in the note. The note must be payable to the order of the bank or to a nominee of the bank and may be repayable by the borrower in whole or in part at any time, and should contain columns for entering changes in the amount of the loan outstanding, the dates of such changes, and the initial of an employee of the bank authorized by the borrower to make such entries. While it is preferable that all entries affecting the balance of the note shall be recorded thereon, it is satisfactory for such entries to be recorded separately, provided adequate documentation is maintained in regard to all such entries. All notes must be kept in the custody of duly authorized employees of the bank.

The amount of the loan may be subject to daily fluctuations as the participants increase or decrease their participations. The net amount of any such increase or decrease depends initially upon the particular requirements of the participants. If it is desired to participate an account in the loan or to increase its existing participation therein, a "buy" order is prepared for the dollar amount of the planned participation. If it is desired to reduce or

withdraw an account's participation, a "sell" order is prepared. All buy and sell orders must be combined at the end of each day's business when the net amount of any proposed increase or decrease in the loan is determined. On the following business day, this net figure must be communicated to the borrower by telephone. If the figure indicates a proposed increase in the loan, this communication is an offer to lend the amount of the increase which the borrower may either accept in whole or in part, or reject. If the figure indicates a proposed reduction in the loan, communication constitutes a demand for payment of the amount of the reduction. The resulting increase or decrease in the loan and the new balance due must be then recorded by making appropriate entries on the note. The balance so entered, when confirmed by the borrower in writing, should be understood to constitute conclusive evidence of the balance owing on the loan. The net amount of any increase (or decrease) in the loan must be promptly credited to (or charged against) the borrower's account with the bank. Interest must be paid monthly on the daily amount of the loan outstanding during the preceding month at a rate which is mutually agreed upon by the bank and the borrower and specified in the note or related agreement, but such rate shall not be less than that which will yield simple interest equivalent to the discount rate currently being paid by the borrower on his 180-day paper. If any change in the 180-day rate is established by the borrower, the rate of interest paid on the variable amount loan must be changed simultaneously, unless a rate higher than the 180-day rate has been agreed upon and is being paid.

Participations of each account in the loan must be reflected in the securities record of each account in the bank's trust department. A participation record for each account must be also maintained and a check must be made each time a change in the amount of the loan occurs to assure that these participation records are in balance with the outstanding amount of the note. The bank may not participate in the loan for its own account, nor may it acquire such a participation.

(B) Where collective investments of the type herein described are not specifically authorized by the governing instruments of the various participating accounts, such investments may be made pursuant to N.J.S.A. 17:9A-37 and in such case: (1) Participation in such investment shall be restricted to accounts in which the bank is acting in a fiduciary capacity specified in paragraphs (5), (6), (9) and (10) of N.J.S.A. 17:9A-28; (2) The written variable note duly executed by the parties and a written outline of the procedure, as above set forth, controlling participation in such investment or a written incorporation by reference of the above mentioned procedure shall constitute the written plan in accordance with the provisions of N.J.S.A. 17:9A-37(E); (3) The requirements of N.J.S.A. 17:9A-39(B) shall be deemed satisfied provided that the note is of a borrower whose commercial paper is rated at least A-1 by the financial periodicals rating commercial paper (e.g. Standard & Poor) and such note is either payable on demand or at the call of the bank; (4) The determination of whether such collective investment shall constitute a legal common trust fund or a discretionary common trust fund shall be determined in accordance with the provisions of N.J.S.A. 17:9A-36.

This regulation is issued to enable banks to establish and maintain common trust funds on an equal basis with common trust funds established and maintained by national banking associations.

Interested persons may present statements or arguments in writing, relevant to the proposed action before 5:00 p.m., Jan. 8, 1971 to:

Roger F. Wagner  
Deputy Commissioner  
Department of Banking  
State House Annex  
Trenton, New Jersey 08625

The Department of Banking, upon its own motion or at the instance of any interested party, may thereafter adopt the above regulation substantially as proposed without further notice.

James C. Brady, Jr.  
Commissioner of Banking

(b)

**BANKING**

**MORTGAGE FINANCE AGENCY**

**Proposed Rules Implementing New Jersey Mortgage Finance Agency Act**

The New Jersey Mortgage Finance Agency, pursuant to authority of N.J.S.A. 17:1B-4, et seq., proposes to adopt rules and regulations designed to effectuate the general purposes of the New Jersey Mortgage Finance Agency Act.

The proposed rules and regulations govern the making of loans to mortgage lenders and the application of the proceeds thereof; and include rules and regulations governing the following:

(1) Procedures for the submission of requests or the invitation of proposals for loans;

(2) Standards and requirements as to allocations of loans among all or certain of the mortgage lenders or awards of loans and determining the amounts and interest rates thereof;

(3) Limitations or restrictions as to the number of family units, location or other qualifications or characteristics of residences to be financed by new residential mortgages;

(4) Restrictions as to the interest rates on new residential mortgages or the return realized therefrom by mortgage lenders;

(5) Requirements as to commitments by mortgage lenders with respect to new residential mortgages.

(6) Schedules of any fees and charges necessary to provide for expenses and reserves of the agency; and  
(7) Any other matters related to the duties and the exercise of the powers of the agency.

Copies of the complete text of the proposed rules and regulations may be obtained from:

New Jersey Mortgage Finance Agency  
Taxation Building  
West State and Willow Streets  
Trenton, New Jersey 08625

Interested persons may present statements or arguments in writing relevant to the proposed action to the Agency at the above address on or before January 6, 1971.

The New Jersey Mortgage Finance Agency, upon its own motion or at the instance of any interested party, may hereafter adopt the proposed rules and regulations without further notice.

Robert A. Watson  
Secretary  
New Jersey Mortgage Finance Agency

(a)

**EDUCATION****STATE BOARD OF EDUCATION****Proposed Rule Concerning Learning Disabilities Teacher-Consultant**

Carl L. Marburger, Commissioner of Education and Secretary of the State Board of Education, pursuant to authority of N.J.S.A. 18A:6-38, proposes to adopt as N.J.A.C. 8:11-72(j), a rule relating to learning disabilities teacher-consultant, as follows:

**8:11-72(j) LEARNING DISABILITIES TEACHER-CONSULTANT**

8:11-72(j)(1) **AUTHORIZATION:** This endorsement is required for service as a learning disabilities teacher-consultant in the elementary and secondary schools.

**8:11-72(j)(2) REQUIREMENTS:**

I. A standard New Jersey teacher's certificate.  
II. Three years of successful teaching experience.  
III. A master's degree from an accredited college.  
IV. Completion of a graduate Certificate Program for the preparation of Learning Disabilities Teacher-Consultants approved by the New Jersey State Department of Education as meeting the requirements for this certificate.

**NCATE Accredited Program**—When candidates have completed their preparation for this endorsement in an out-of-state college or university, a master's degree in Learning Disabilities from a program accredited by the National Council for Accreditation of Teacher Education (NCATE) will be accepted as meeting the requirement.

**Certification Review Committee**—When candidates have developed a background of graduate study in psychology, education, and related areas that they consider to be equivalent to the completion of an approved graduate program in Learning Disabilities, they may submit their credentials for review. A Learning Disabilities Certification Review Committee will recommend to the Secretary of the State Board of Examiners the additional study, if any, that the applicant should be requested to complete.

**Previously Employed Personnel**—Persons who have been employed with full approvals of the State Department of Education as Learning Disabilities Teacher-Consultants in local school districts or in the State Department of Education under Section 8:28 of the Rules of the State Board of Education prior to the date this Rule becomes effective will be eligible for a regular Learning Disabilities certificate. Persons previously employed with interim approval may qualify for a regular certificate by fulfilling the requirements specified at the time the interim approval was granted.

Interested persons may present statements or arguments in writing, orally in person or by telephone, relevant to the proposed action before 4 p.m. on January 5, 1971, to:

Clyde E. Leib  
Office of the Commissioner  
Department of Education  
225 West State Street  
Trenton, New Jersey 08625  
Telephone: (609) 292-4040

The State Board of Education, upon its own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as set forth without further notice.

Carl L. Marburger  
Commissioner of Education  
Secretary, State Board of Education

(b)

**EDUCATION****THE COMMISSIONER****Proposed Rule Concerning Provisional Learning Disabilities Teacher-Consultant Endorsement**

Carl L. Marburger, Commissioner of Education and Secretary of the State Board of Education, pursuant to authority of N.J.S.A. 18A:6-38, proposes to adopt as N.J.A.C. 8:11-73(e), a new rule relating to provisional learning disabilities teacher-consultant endorsement as follows:

**8:11-73(e) PROVISIONAL LEARNING DISABILITIES TEACHER-CONSULTANT ENDORSEMENT**

Because of the shortage of fully qualified Learning Disabilities Teacher-Consultants, provisional certificates may

be issued to candidates who are otherwise eligible for provisional certificates under the Rules\* and who present the qualifications indicated in I or II.

I. A regular New Jersey teacher's certificate and a master's degree in Elementary Education, Special Education, Speech Correction, Psychology, Reading, Student Personnel, or related fields.

OR

II. A bachelor's degree, a regular New Jersey teacher's certificate, three years of successful teaching experience and twelve semester hours of graduate credits acceptable to a college offering an approved graduate program in Learning Disabilities toward meeting the requirements of the certificate program in this field.

\*Under the Rules of the New Jersey State Board of Education, provisional certificates are issued only to persons who are employed, or being offered employment, by a local public school board of education.

Interested persons may present statements or arguments in writing, orally in person or by telephone, relevant to the proposed action, before 4 p.m. on January 5, 1971, to:

Clyde E. Leib  
Office of the Commissioner  
Department of Education  
225 West State Street  
Trenton, New Jersey  
Telephone: (609) 292-4040

The State Board of Education, upon its own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as set forth without further notice.

Carl L. Marburger  
Commissioner of Education  
Secretary, State Board of Education

(c)

**EDUCATION****THE COMMISSIONER****Proposed Rule Concerning Programs for Learning Disabilities**

Carl L. Marburger, Commissioner of Education and Secretary of the State Board of Education, pursuant to authority of N.J.S.A. 18A:6-38, proposes to adopt as N.J.A.C. 8:11-88(a), a new rule relating to programs for learning disabilities as follows:

**8:11-88(a) PROGRAMS FOR LEARNING DISABILITIES**

I. Extent. For candidates who already possess a master's degree the certificate program consists of twenty-four semester hours of graduate credits, including the areas of study specified in Section II, below.

For students who do not possess a master's degree, the certificate program must lead to a master's degree and must include twenty-four semester hour graduate credits as specified in Section II.

II. Program of Studies. The approved certificate program must include provision for the areas of study listed below. Qualified teachers who have already earned a master's degree, or completed graduate studies in education, reading, speech correction, psychology, education in specific areas of the handicapped, or similar fields, should be given credit by the college for as much of their completed programs as is appropriate.

A. Required Studies. Work in the following areas of study must be required as part of the program, not necessarily as separate courses: education of the handicapped; learning theory; physiological bases of learning; orientation in psychological testing; remediation of basic skills, diagnosis and correction of learning disabilities. Course descriptions should make it clear that the program for all students will include study in each of these areas.

B. Electives. The program should also include opportunities to study, perhaps on an elective basis, in areas closely related to learning disabilities, such as group dynamics, methods and materials for teaching the emotionally and socially maladjusted; curriculum development in the teaching of the handicapped; teaching of reading; interviewing and counseling; educational psychology; and community resources.

C. Supervised Practicum. The program must include a college supervised practicum in diagnosis and remediation of learning disabilities in school and clinical situations. The definition and nature of this practicum, and the courses in which it will be provided, should be clear in the program description. The practicum should provide for a minimum of ninety clock hours of college supervised experience.

D. Teaching Experience. Prior to completion of the certificate program, the student must hold a regular New Jersey teacher certificate and submit evidence of three years of successful teaching experience.

Interested persons may present statements or arguments in writing, orally in person or by telephone, relevant to the proposed action, before 4 p.m. on January 5, 1971, to:

Clyde E. Leib  
Office of the Commissioner  
Department of Education  
225 West State Street  
Trenton, New Jersey  
Telephone: (609) 292-4040

The State Board of Education, upon its own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as set forth without further notice.

Carl L. Marburger  
Commissioner of Education  
Secretary, State Board of Education

(d)

**ENVIRONMENTAL PROTECTION  
DIVISION OF PARKS, FORESTRY  
AND RECREATION****Proposed Ice Boating  
Regulations for  
Round Valley Reservoir**

Richard J. Sullivan, Commissioner of Environmental Protection, pursuant to authority of N.J.S.A. 13:8-20, proposes to adopt the following rules regulating the operation of ice-boats on Round Valley Reservoir in Hunterdon County.

The text of the proposed rules reads as follows:

1. Ice boating is permitted and all use is restricted only to individuals who comply with safety standards established by the Eastern Ice Yachting Association.

2. A minimum of two ice boats are required at all times in order to provide a buddy system for safety.

3. All ice boaters must wear protective crash helmets equal to or better than those now required of motorcyclists by New Jersey Motor Vehicle law.

4. Ice boating shall only be permitted on such days and during such hours as designated by an authorized representative of the Department.

5. All craft and persons are prohibited from the restricted areas in the vicinity of the dam and pumping station.

6. Ice fishing, ice skating, snowmobiling, and all other winter sports activities are prohibited.

Interested persons may present statements or arguments in writing relevant to the proposed action on or before December 31, 1970, to:

Robert Solan, Esq.  
Chief, Bureau of Legal Services  
Department of Environmental Protection  
Labor & Industry Building—Room 811  
John Fitch Plaza  
Trenton, New Jersey 08625

The Department of Environmental Protection, after fully considering all statements or arguments relevant to the proposed rules may thereafter, upon its own motion or at the instance of any interested party, adopt the above rules, substantially as proposed, without further notice.

Richard J. Sullivan  
Commissioner  
Department of Environmental Protection

(e)

**HEALTH****THE COMMISSIONER****State Health Aid Act Administrative  
Manual Adopted**

On Nov. 10, 1970, James R. Cowan, M.D., Commissioner of Health, pursuant to authority of N.J.S.A. 26:1A-15, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted a revision of the Administrative Manual for the State Health Aid Act of 1966, substantially as proposed in the Notice published September 10, 1970 at 2 N.J.R. 72(c).

An order adopting the above revised manual was filed and effective Nov. 25, 1970 as R.1970 d.141.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(f)

**HEALTH****PUBLIC HEALTH COUNCIL****Certified Health Services Personnel and  
Program Standards Revised**

On October 26, 1970, the Public Health Council in the State Department of Health, pursuant to authority of N.J.S.A. 26:2F-3, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted a revision of the certified health services personnel and program standards, as proposed in the Notice published August 6, 1970 at 2 N.J.R. 63(b).

An order adopting the above revised rules was filed and effective October 26, 1970 as R.1970 d.130.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(g)

**INSTITUTIONS AND AGENCIES****DIVISION OF MEDICAL ASSISTANCE  
AND HEALTH SERVICES****Proposed Skilled Nursing Home  
Service Rules**

Lloyd W. McCorkle, Commissioner of Institutions and Agencies, pursuant to authority delegated in the New Jersey Medical Assistance and Health Service Act, P.L. 1968 c. 413 (N.J.S.A. 30:4D-1, et seq.), proposes to adopt a manual of rules and regulations governing skilled nursing home participation in the New Jersey Health Services Program.

The proposed manual is concerned with the provision of quality health care services available to eligible recipients of the New Jersey Health Services Program in skilled nursing homes. The manual establishes definitions, general policies, basic and additional services and procedures of admission, transfer, authorization and billing for skilled

**Skilled Nursing Home Rules—continued**  
nursing home eligibility to obtain reimbursement under the New Jersey Health Services Program.

Copies of the manual may be obtained from:  
Bureau of Long-Term Care  
Division of Medical Assistance and Health Services  
36 West State Street  
Trenton, New Jersey 08625  
Telephone (609) 292-7483

Interested persons may present statements or arguments in writing relevant to the proposed manual, on or before January 6, 1971, to the Division of Medical Assistance and Health Services at the above address.

The Department of Institutions and Agencies, upon its own motion or at the instance of any interested party, may thereafter adopt the manual, substantially as proposed, without further notice.

Lloyd W. McCorkle  
Commissioner  
Department of Institutions and Agencies

(a)

**INSTITUTIONS AND AGENCIES**  
DIVISION OF PUBLIC WELFARE  
Assistance for Dependent Children  
Emergency Rule Readopted

Lloyd W. McCorkle, Commissioner of Institutions and Agencies, pursuant to authority of N.J.S.A. 44:10-3, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, has ratified and readopted the Division of Public Welfare emergency rule, known as Section 615A "Administrative Ceiling in ADC, Insufficient Earnings (N) Segment" of the Categorical Assistance Budget Manual.

This rule was originally adopted as an Emergency Regulation pursuant to authority of N.J.S.A. 52:14B-4(c) on September 18, 1970, and the full text of the rule was published in the New Jersey Register dated October 8, 1970 at 2 N.J.R. 84(a). The announced basis of the emergency, as stated in Circular Letter No. 831, and as published in the October 8, 1970 issue of the New Jersey Register, was the anticipated effect of the enjoining of the enforcement of Regulation 615 by the U.S. District Court decision in the case of Amos v. Engelman.

An order ratifying and readopting the above rule was filed and effective November 10, 1970 as R.1970 d.136.

The order ratifying and readopting the above rule states:

"Although a stay of the injunction was issued by the U.S. Supreme Court, the economic effects of the enjoinder of Regulation 615, in addition to the unexpectedly high increase in the number of new welfare recipients and the similarly unexpectedly high increase in welfare expenditures otherwise being experienced, have created a situation where it has become incumbent upon the Department of Institutions and Agencies to effectuate savings in expenditures in order to safeguard the well-being of those of our citizens who receive assistance under programs operated under the jurisdiction of the Division of Public Welfare. It is also necessary to achieve such savings without jeopardizing New Jersey's continued eligibility for federal funds as required by N.J.S.A. 44:10-3.

"Therefore, after careful consideration of all the factors involved, and of those comments submitted pursuant to the notice published in the New Jersey Register of October 8, 1970, it has been decided that Regulation 615A constitutes the appropriate measure to ameliorate the fiscal crisis facing New Jersey's welfare program. Regulation 615A will not cause a loss of federal funds. Although it will result in both reductions in and terminations of assistance payments to recipient families in the "N" segment of the New Jersey welfare program, this result is deemed to be less undesirable than the alternatives. A major consideration in reaching this conclusion is that, unlike other ADC recipients, "N" segment recipients do not depend solely upon assistance payments for their income. Consequently, this regulation will result in imposing on them a substantially lesser hardship than would otherwise have to be imposed on welfare recipients who depend entirely upon assistance payments for their survival."

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(b)

**INSTITUTIONS AND AGENCIES**  
DIVISION OF PUBLIC WELFARE  
BUREAU OF CHILDREN'S SERVICES

**Proposed Rules Concerning the  
Purchase of Adoption Services  
from Private Agencies**

The State Board of Control of the Department of Institutions and Agencies, pursuant to authority of N.J.S.A. 30:1-14 through 30:1-17, proposed at its October 28, 1970 meeting to adopt rules for the purchase of adoption services from private adoption agencies, for hard-to-place children under the jurisdiction of the Bureau of Children's Services.

The proposed rules and regulations read as follows:

In accordance with statute (N.J.S.A. 30:4C-4(g), (h), (i) and 30:4C-37), the following rules and regulations are established as a basis of payment for adoption services to privately sponsored agencies, which are approved for such purposes in accordance with the provisions of R.S. 9:3-17 et seq., or can demonstrate that they meet the standards of R.S. 9:3-17 et seq., for providing adoption service with respect to certain children identified below who

are under the care, custody, or guardianship of the Bureau of Children's Services. Observance of these rules and regulations establishes a right to payment for services as limited below, but does not determine the amount of such payment with respect to a particular child or children.

Adoption services, for purposes of these rules and regulations, are defined as those services resulting in the actual placement of a child or children for adoption and the services essential during the period of supervision prior to consummation of the adoption as required by law.

The Bureau of Children's Services will purchase such services only for those children under its immediate supervision who are determined by such Bureau to be "hard-to-place." The term "hard-to-place" is defined as any child whom the Bureau of Children's Services has the statutory right and responsibility to place for adoption, for whom a suitable adoption home has not been located by normal processes including registration with the Adoption Resource Exchange and who is thereafter referred for such services by the Bureau's Adoption Services Unit.

In order to be eligible to receive referrals of children for adoption services and to receive for such services whatever amount of payment may be otherwise authorized, an adoption agency shall demonstrate to the satisfaction of the Bureau of Children's Services, through such methods and procedures as the Bureau may prescribe, that it complies with each of the following rules and regulations, which shall be interpreted as constituting minimum standards only:

**I. Placement Procedure**

A. The placing agency shall provide the Bureau of Children's Services with the name and address of the family being considered for placement of the child and provide any other information deemed necessary by the Bureau.

B. Both the placing agency and the Bureau of Children's Services must agree on the placement selected for the child being placed for adoption.

**II. Agency Policy and Practice**

A. The placing agency shall, through policy and practice, provide service to children, natural parents and adoptive parents without regard to race, color or national origin.

B. The placing agency shall demonstrate a willingness to review, evaluate, expand and change, as necessary, its policies, practices and services in accordance with community needs.

C. The placing agency shall demonstrate, through its policies and practices, a willingness to cooperate with other approved agencies to assure that all clients in need receive service. This shall include, but shall not be limited to, the study of homes for children not under the agency's care and the sharing of all information, with the client's permission, where appropriate.

**III. Accountability**

A. The placing agency shall maintain records on each child and family and shall furnish such records or reports on the child's adjustment and progress or on other factors as the Bureau of Children's Services may require.

B. When and as required by the Bureau of Children's Services, all data relating to costs of the placing agency operations shall be made available to the Bureau, or its authorized representative.

C. Payments by the Bureau shall not exceed the net cost of providing the service by the placing agency. The adoptive applicant shall be informed of the agency's cost of service and how it is met.

**IV. Payment for Service**

The Bureau of Children's Services will establish the rate of payment based on the availability of appropriations made for such purpose and on the cost of providing the service directly by the Bureau of Children's Services. Payment for service, as authorized, will be made only at the time that the adoption is granted by a court of competent jurisdiction.

Interested persons may present statements or arguments in writing, relevant to the proposed action, on or before December 31, 1970, to:

Inter-Agency Services Unit  
Bureau of Children's Services  
163 West Hanover Street  
Trenton, New Jersey 08625

The State Board of Control, upon its own motion or at the instance of any interested party, may thereafter adopt the proposed rules substantially as set forth without further notice.

Lloyd B. Wescott, President  
State Board of Control  
Department of Institutions and Agencies

(c)

**INSTITUTIONS AND AGENCIES**  
DIVISION OF PUBLIC WELFARE

**Proposed Amendments to Categorical  
Assistance Budget Manual**

Lloyd W. McCorkle, Commissioner of Institutions and Agencies, pursuant to authority of N.J.S.A. 44:10-3 and N.J.S.A. 44:7-6, proposes to amend the Categorical Assistance Budget Manual, as follows (additions indicated in boldface thus; deletions indicated within brackets [thus]):

**311. ALLOWANCES FOR THE CHRONICALLY ILL IN LICENSED PROPRIETARY NURSING HOMES, ELIGIBLE PUBLIC MEDICAL INSTITUTIONS, APPROVED INFIRMARY SECTIONS OF NON-PROFIT OR CHARITABLE HOMES AND INTERMEDIATE CARE FACILITIES.**

a. When a client is receiving [patient] purchased care in one of the above institutions, allowances for clothing, personal incidentals, and applicable special circumstance items shall be recognized by the County Welfare Board in

such client's budget. Payments for these costs shall be made in the following order:

1. from resources of the client, if any;
2. by actual money payment.

b. **Special Clothing Requirements**  
Where a client, who is residing in such an institution or facility and who because of a physical or mental incapacity, is unable to do his own shopping for clothing and does not have a relative or interested person in whom he has confidence who could do this shopping for him, the clothing allowance as a basic requirement shall not be included in the client's budget. In all such cases, the clothing requirement shall be granted as a special circumstance requirement and the client's clothing needs shall be reviewed at regular intervals of not more than 6 months. However, the annual amount granted for clothing shall not exceed \$100.

**c. Intermediate Care Facilities**

The monthly amount authorized for purchase of room, board, and services in an approved Intermediate Care Facility is specified in Appendix Section II, 4.9. (See also Manual of Administration 2253.2.)

**Appendix Section I**

**4. PERSONAL NEEDS FOR ADULT CLIENTS IN BOARDING HOMES, NURSING HOMES AND ROOM AND RESTAURANT LIVING ARRANGEMENTS**

4.3 Client is purchasing care in a nursing home or intermediate care facility.

	<b>Monthly Allowance</b>
Personal incidentals (See also Section [311.87] 311.)	\$9.00

**Appendix Section II**

**4. REGULATIONS AND SCHEDULE OF MONTHLY ALLOWANCES FOR ROOM AND BOARD FOR ADULTS**

4.9 A client whose physical condition is such as defined in Manual of Administration Section 2253.2, may be purchasing room, board, and services in an approved Intermediate Care Facility. The monthly allowance for these arrangements shall not exceed \$200, and shall be further governed by the provisions of 4.7 above.

Interested persons may present statements or arguments in writing relevant to the proposed action, on or before December 31, 1970, to:

Division of Public Welfare  
129 E. Hanover Street  
Trenton, New Jersey 08625

The Commissioner, upon his own motion or at the instance of any interested party, may thereafter adopt the above amendments substantially as set forth without further notice.

Lloyd W. McCorkle  
Commissioner  
Department of Institutions and Agencies

(d)

**INSTITUTIONS AND AGENCIES**  
DIVISION OF PUBLIC WELFARE

**Proposed Revision of Manual of  
Administration**

Lloyd W. McCorkle, Commissioner of Institutions and Agencies, pursuant to authority of N.J.S.A. 44:10-3 and N.J.S.A. 44:7-6 proposes to revise the Division of Public Welfare Manual of Administration by adding the following (Additions indicated in bold face thus):

**2253.2 Eligibility for Assistance in Institutions**  
**d. Intermediate Care Facility**

1) **Eligibility**  
Applicants and recipients who are purchasing or who plan to purchase care in an Intermediate Care Facility may be eligible to receive assistance provided

a) the facility is an eligible Intermediate Care Facility in that it has been approved by the Department (Bureau of Community Institutions);

b) the client is an adult person who requires supervision, who is ambulant with or without assistance, who is reasonably oriented mentally, and who has been certified by a licensed physician to be free from communicable disease and not in need of nursing care on a continuing basis. This shall not be construed to prevent medical and nursing care of residents on an intermittent basis, in emergencies or during temporary illness;

c) the client, because of physical or mental limitations or both, requires living accommodations and care which as a practical matter, can be made available only through institutional facilities;

d) the client does not have such an illness, disease, injury or other condition as to require the degree of care and treatment which a hospital or skilled nursing home (as that term is employed in Title XIX) is designed to provide.

2) **Maximum Allowable Rates**

The appropriate maximum allowable rates for Intermediate Care Facilities are provided in Budget Manual Appendix II 4.

Interested persons may present statements or arguments in writing relevant to the proposed action, on or before December 31, 1970, to:

Division of Public Welfare  
129 E. Hanover Street  
Trenton, New Jersey 08625

The Commissioner, upon his own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as set forth without further notice.

Lloyd W. McCorkle  
Commissioner  
Department of Institutions and Agencies

(a)

**INSTITUTIONS AND AGENCIES**

**DIVISION OF PUBLIC WELFARE**

**Changes in Categorical Assistance Budget Manual**

On October 29, 1970, Lloyd W. McCorkle, Commissioner of Institutions and Agencies, pursuant to authority of N.J.S.A. 44:10-3 and 44:7-6, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted amendments to the Categorical Assistance Budget Manual as proposed in the Notice published October 8, 1970 at 2 N.J.R. 84(b).

An order adopting the above amendments was filed November 5, 1970 as R.1970 d.134.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(b)

**INSURANCE**

**THE COMMISSIONER**

**Proposed Amendment to Automobile Insurance Plan**

Robert L. Clifford, Commissioner of Insurance, pursuant to authority of N.J.S.A. 17:1-8.1 and 17:1C-6(e), proposes to amend the New Jersey Automobile Plan.

A summary of the proposed amendment, the full text of which is on file with the Department of Insurance, the administrative office of the New Jersey Automobile Plan, and the Division of Administrative Procedure, is as follows:

Effective January 1, 1971, the Plan will provide, at the request of the applicant and in addition to the coverage presently available, Comprehensive, (Fire, Theft and combined Additional Coverage on Motorcycles), and Collision coverage on an Actual Cash Value Basis, subject to \$100.00 deductible applicable to each loss as to each automobile.

The proposed amendment further provides for the apportionment of such additional coverage among participating insurers and the rates which may be charged.

Interested persons may present written comments, suggestions and recommendations concerning this amendment and any other proposals respecting and additions and modifications to the amendment not later than Dec. 30, 1970, to:

W. Morgan Shumake  
Deputy Commissioner  
Department of Insurance  
State House Annex  
Trenton, New Jersey 08625

A public hearing will be held on Wednesday, December 30, 1970 at 10 a.m. in Room 346, State House Annex, Trenton, New Jersey 08625, at which time and place comments, suggestions, recommendations, additions, and modifications to the amendment, and evidence with respect thereto will be received for the record. The time and date of any subsequent hearing, if such is determined to be necessary, will be announced at the December 30, 1970 hearing. However, no notice of any such subsequent hearing will appear in the New Jersey Register.

The Commissioner of Insurance, upon his own motion and at the instance of any interested party, may thereafter adopt the amended rule as proposed without further notice.

Robert L. Clifford  
Commissioner of Insurance

(c)

**INSURANCE**

**THE COMMISSIONER**

**Proposed Regulation Concerning Insurance Contract Renewal**

Robert L. Clifford, Commissioner of Insurance, pursuant to authority of N.J.S.A. 17:1-8.1 and N.J.S.A. 17:1C-6(e), proposes to adopt a regulation concerning the renewal of contracts of insurance.

The proposed regulation reads as follows:

**Agency Terminations**

**A. Scope of Regulation**

The within regulation is not applicable to agency contracts relating to reinsurance, life insurance, annuities, accident and health insurance, title insurance, mortgage guarantee insurance, hospital service, medical service or dental service corporations, investment companies, mutual benefit or fraternal benefit associations, or to those contracts in which the agency agrees to represent exclusively a company or group of companies under common management. The existence of an agency contract shall be governed by the provisions of N.J.S.A. 17:22-6.14.

**B. Insurers' Obligation to Renew Existing Policies**

Upon the effective date of termination of an agency contract, which termination shall be on not less than 90 days' written notice, except in the case of an agency's insolvency, abandonment, misconduct, substantial indebtedness to the insurance company, or license revocation by the Commissioner, in which case termination shall be on not less than five (5) days' written notice, the insurance company shall renew all of its contracts of insurance then in force for such terminated agency for a period of six (6) months subject to the following terms and conditions:

1. The risk meets then current underwriting standards of the insurance company, provided, however, that such insurer shall give not less than sixty (60) days' written notice to the terminated agency of its intention not to renew for underwriting reasons.

2. All property and casualty insurers doing business in New Jersey shall file with the Department a copy of any amendment or modification to current personal lines underwriting guidelines which are to be effective subsequent to January 1, 1971. Such amendments or modifications shall not be arbitrary, capricious, or unfairly discriminatory and shall be filed with the Department not less than ten (10) days prior to the effective date thereof.

3. The insured is not indebted to the insurance company.

4. The insured does not constitute a moral hazard.

5. The insurance company is of unsound financial condition.

**C. Procedure on Renewal-Commissions**

Contracts of insurance which are required to be renewed hereunder shall be processed as follows:

1. The renewal may be processed through the terminated agent who shall be paid the company's average commission rate in force on the effective date of such agent's termination.

2. The renewal may be processed by the terminated agent, acting as broker and producer of record, through an active agent of the company. The active agent and terminated agent shall equally divide the commission then currently in force and payable by the company.

3. The renewal may be processed directly by the company with a reduction in premium to the insured in an amount equal to one-half the commission which would have been payable to the terminated agent on the effective date of termination.

4. The renewal may be processed as may be otherwise mutually agreed to between the company and the terminated agency.

Interested persons may present written comments, suggestions and recommendations concerning this regulation and any other proposals respecting any additions and modifications to the regulation not later than December 30, 1970 to:

W. Morgan Shumake  
Deputy Commissioner  
Department of Insurance  
State House Annex  
Trenton, New Jersey 08625

A public hearing will be held on Wednesday, December 30, 1970 at 10 A.M. in Room 346, State House Annex, Trenton, New Jersey 08625, at which time and place comments, suggestions, recommendations, additions, and modifications to the regulation, and evidence with respect thereto will be received for the record. The time and date of any subsequent hearing, if such is determined to be necessary, will be announced at the December 30, 1970 hearing. However, no notice of any such subsequent hearing will appear in the New Jersey Register.

The Department of Insurance, upon its own motion or at the instance of any interested party may thereafter adopt the proposed regulation substantially as set forth without further notice.

Robert L. Clifford  
Commissioner  
Department of Insurance

(d)

**LAW AND PUBLIC SAFETY**

**DIVISION OF MOTOR VEHICLES**

**Self-Inspection of Commercial Vehicles**

On November 2, 1970, Ronald M. Heymann, Director of the Division of Motor Vehicles in the Department of Law and Public Safety, pursuant to authority of N.J.S.A. 39:8-10, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted a rule governing self-inspection of commercial vehicles as proposed in the Notice published October 8, 1970 at 2 N.J.R. 85(d).

An order adopting the above rule was filed and effective November 2, 1970 as R.1970 d.132.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(e)

**LAW AND PUBLIC SAFETY**

**DIVISION OF PROFESSIONAL BOARDS**

**STATE BOARD OF MEDICAL EXAMINERS**

**Proposed Podiatry Internship Rule**

The State Board of Medical Examiners, pursuant to authority of N.J.S.A. 45:5-2, proposes to adopt a new rule concerning podiatry internship.

The following is the complete text of the proposed rule:

The requirement of N.J.S.A. 45:5-2(5) that the applicant for licensure "has served an internship in a duly licensed clinic, hospital, or institution, approved by the board" shall be deemed to have been met by the successful completion of an internship or residency program fully approved by the American Podiatry Association.

Interested persons may present statements or arguments in writing relevant to the proposed action on or before December 31, 1970, to:

Board of Medical Examiners  
28 West State Street  
Trenton, New Jersey 08625

After full consideration of all statements and arguments presented, the State Board of Medical Examiners, upon its own motion or at the instance of any interested party, may thereafter adopt the rule substantially as proposed without further notice.

John F. Kustrup, M.D.  
Secretary  
State Board of Medical Examiners

(f)

**PUBLIC UTILITIES**

**BOARD OF PUBLIC UTILITY COMMISSIONERS**

**Notice of Hearing Concerning Passenger Railroad Station Platform Safety Regulations**

Following extensive investigations by the Board of Public Utility Commissioners (Board) and by the Union County Grand Jury and public hearings before the Board on the circumstances attending the occurrence of serious accidents on the Main Line of Penn Central Transportation Company (successor to Penn Central Company) on the afternoon of June 8, 1968, at the said Company's passenger stations at Elizabeth, Union County, and at Trenton, Mercer County, the Board, on October 2, 1969, issued its Report and Order in Docket No. 686-380. The Board ordered said Company, among other things to install transducers or any other devices which will automatically actuate audible and visible signals to pedestrians on passenger station platforms that a train is approaching on the track adjacent to the platform; and to provide adequate clearance warning lines for waiting passengers with appropriate wording painted and maintained on all passenger station platforms.

The Board is of the opinion that the above-described requirements will contribute materially in promoting safety in railroad operation in New Jersey. However, the Board is not convinced that the possibilities of effectuating additional measures for promoting safety have been exhausted and recognizes that similar warning devices may be required of other passenger railroads operating in and through the State of New Jersey. In consequence, in an effort to resolve and conclude this matter, the Board pursuant to N.J.S.A. 48:2-13, N.J.S.A. 48:2-23, and N.J.S.A. 48:2-25, hereby orders Black River & Western Corporation, The Central Railroad Company of New Jersey (John E. Farrell, Trustee), Erie Lackawanna Railway Company, Morris County Central Railroad, Inc., The New York and Long Branch Railroad Company, Penn Central Transportation Company (George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, Trustees), Pennsylvania-Reading Seashore Lines, and Reading Company to appear before it at its offices at Room 208, 101 Commerce Street, Newark, New Jersey, at 10:00 a.m., prevailing time, on Tuesday, the 5th day of January, 1971, to show cause why an order should not be made by the Board to require the above-named respondents, in instances where not already comprehended by their present practices, to:

(1) Install transducers or any other devices which will automatically actuate audible and visible signals to pedestrians on passenger station platforms that a train is approaching on the track adjacent to the platform; and

(2) Provide adequate clearance warning lines for waiting passengers with appropriate wording painted and maintained on all passenger station platforms;

or why the Board should not make such other order relating to the matters summarized above as the Board may, after said hearing, find to be just and reasonable.

The Board hereby directs its Secretary to mail to each of the respondent railroad companies a certified copy of this Order, which mailing shall constitute service of the Order hereby made and notice of the hearing hereby called. Dated: November 12, 1970

William E. Ozzard  
President  
Board of Public Utility Commissioners

(g)

**TRANSPORTATION**

**DIVISION OF LOCAL GOVERNMENT AID**

**Changes in Title 16**

**of New Jersey Administrative Code**

On November 17, 1970, John C. Kohl, Commissioner of Transportation, pursuant to authority of N.J.S.A. 27:13-17 and 52:27B-20 and Chapters 8, 14 and 15 of Title 27 of the New Jersey Statutes Annotated, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted amendments to Chapter 13 (Federal Aid Secondary), Chapter 14 (State Aid Road System), Chapter 15 (County Operations), Chapter 16 (Municipal Operations), Chapter 17 (Municipal Construction), Chapter 19 (Construction Equipment Damage Program), and Chapter 20 ("Topics" (Traffic Operations Program to Increase Capacity and Safety)) of Title 16 of the New Jersey Administrative Code, substantially as proposed in the Notice published September 10, 1970 at 2 N.J.R. 77(a).

An order adopting the above amendments was filed and effective November 18, 1970 as R.1970 d.140.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(h)

**TRANSPORTATION**

**DIVISION OF MAINTENANCE**

**AND EQUIPMENT**

**Equipment Rental Rules**

On November 17, 1970, John C. Kohl, Commissioner of Transportation, pursuant to authority of N.J.S.A. 27:7-21, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted amendments to the Equipment Rental Rules of Title 16 of the New Jersey Administrative Code, substantially as proposed in the Notice published October 8, 1970 at 2 N.J.R. 86(b).

An order adopting the above amendments was filed and effective November 18, 1970 as R.1970 d.139.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

**TRANSPORTATION**

**DIVISION OF MAINTENANCE AND EQUIPMENT**

**Snow Removal Rules**

On November 17, 1970, John C. Kohl, Commissioner of Transportation, pursuant to authority of N.J.S.A. 27:7-21, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted amendments to the Snow Removal rules of the Division of Maintenance and Equipment, substantially as proposed in the Notice published October 8, 1970 at 2 N.J.R. 86(c).

An order adopting the above amendments was filed and effective November 18, 1970 as R.1970 d.138.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(b)

**TREASURY**

**DIVISION OF PENSIONS**

**Contributory Insurance Rate**

On October 30, 1970, Christopher F. Carson, Secretary of the Public Employees' Retirement System, pursuant to authority of N.J.S.A. 43:15A-17, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted a revision of N.J.A.C. 17:2-22 "Contributory Insurance Rate," as proposed in the Notice published October 8, 1970 at 2 N.J.R. 86(d).

An order adopting the above revised rule was filed and effective November 2, 1970 as R.1970 d.133.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(c)

**TREASURY**

**STATE INVESTMENT COUNCIL**

**Proposed Revision of Rules Concerning Classification of Funds**

Frank K. Kelemen, Chairman of the State Investment Council, pursuant to authority of N.J.S.A. 52:18A-89, proposes to revise Council Regulation 16:3-5.140 concerning "Classification of Funds," as follows (additions indicated in bold face thus; deletions indicated within brackets (thus)):

**ARTICLE 5. CLASSIFICATION OF FUNDS**

Reg. 16:3-5.100 In general.  
Funds having similar investment characteristics and objectives under their respective enabling acts shall be grouped together.

Reg. 16:3-5.110 Pension and annuity group.  
The pension and annuity group shall include:  
(a) Consolidated Police and Firemen's Pension Fund Commission.  
(b) Police and Firemen's Retirement System.  
(c) Public Employees' Retirement System.  
(d) State Police Retirement System.  
(e) Teachers' Pension and Annuity Fund.

Reg. 16:3-5.120 Static group.  
The static group shall include:  
(a) Eighteen Thirty-Seven Surplus Revenue Fund.  
(b) Trustees for the Support of Public Schools.

Reg. 16:3-5.130 Demand group.  
The demand group shall include:  
(a) Escheat Reserve Fund—Unclaimed Bank Deposits.  
(b) Higher Education Assistance Fund.  
(c) Motor Vehicle Liability Security Fund.  
(d) New Jersey Insurance Development Fund.  
(e) State Disability Benefits Fund.  
(f) Unsatisfied Claim and Judgment Fund.  
(g) Workmen's Compensation Security Fund—Mutual.  
(h) Workmen's Compensation Security Fund—Stock.

Reg. 16:3-5.140 Temporary reserve group.  
The temporary reserve group shall include:  
(a) General Investment Fund.  
(b) General Trust Funds.  
(c) Housing Assistance Fund.  
(d) Local Emergency Aid Fund.  
(e) Motor Vehicle Security Responsibility Fund.  
(f) New Jersey College of Medicine and Dentistry—Grant Fund.

[(f)] (g) New Jersey Educational Facilities Authority.  
[(g)] (h) New Jersey Housing Finance Agency.  
[(h)] (i) 1964 Higher Education Construction Fund.  
[(i)] (j) Outstanding Checks Account.  
[(j)] (k) Pension Increase Fund.  
[(k)] (l) Public Building Construction Fund.  
[(l)] (m) Revolving Housing Development and Demonstration Grant Fund.  
[(m)] (n) School Building Aid—Capital Reserve Fund.  
[(n)] (o) State Employees' Social Security Deduction Fund.  
[(o)] (p) State Health Benefits Fund.  
[(p)] (q) State of New Jersey—Alternate Benefit Program.  
[(q)] (r) State 1960 Institution Construction Fund.  
[(r)] (s) State Lottery Fund.  
[(r)] (t) State 1964 Institution Construction Fund.  
[(s)] (u) State Recreation and Conservation Land Acquisition Fund.  
[(t)] (v) State Transportation Fund.  
[(u)] (w) State Water Development Fund.  
[(v)] (x) Unclaimed Personal Property Trust Fund.

[(w)] (y) Unemployment Compensation Auxiliary Fund.  
[(x)] (z) Veterans' Loan Guaranty and Insurance Fund (Veterans' Guaranteed Loan Fund).  
[(y)] (aa) Water Conservation Fund.  
Reg. 16:3-5.150 Trust Group.  
The trust group shall include:  
(a) New Jersey College of Medicine and Dentistry Funds. (1) Endowment Funds  
(b) Supplemental Annuity Collective Trust.

Interested persons may present statements or arguments in writing, orally in person or by telephone, relevant to the proposed action, on or before December 31, 1970, to:

Director  
Division of Investment  
State House  
Trenton, New Jersey 08625  
Telephone: (609) 292-5106

The State Investment Council, upon its own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as proposed without further notice.

Norman E. Hardy  
Deputy State Treasurer  
Department of the Treasury

(d)

**TREASURY**

**STATE INVESTMENT COUNCIL**

**Maximum Mortgage Investment Limitation**

On November 13, 1970, Norman E. Hardy, Deputy State Treasurer, pursuant to authority of N.J.S.A. 52:18A-89, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted amendments to certain State Investment Council Regulations concerning maximum mortgage limitations substantially as proposed in the Notice published October 8, 1970 at 2 N.J.R. 86(e).

The amended regulations include:  
**ARTICLE 10.**  
**TITLE I FEDERAL HOUSING ADMINISTRATION HOSPITAL MORTGAGES**  
Reg. 16:3-10.120 Limitations.  
**ARTICLE 19.**  
**TITLE II SECTION 203 (B) FEDERAL HOUSING ADMINISTRATION MORTGAGES**  
Reg. 16:3-19.130 Legal Papers.

**ARTICLE 20.**  
**TITLE III SECTION 501 (B) VETERANS ADMINISTRATION MORTGAGES**  
Reg. 16:3-20.130 Legal Papers.

**ARTICLE 28.**  
**TITLE II FEDERAL HOUSING ADMINISTRATION INSURED MORTGAGES — MULTI-FAMILY**  
Reg. 16:3-28.120 Limitations.

**ARTICLE 29.**  
**TITLE II FEDERAL HOUSING ADMINISTRATION INSURED CONSTRUCTION MORTGAGES—MULTI-FAMILY**  
Reg. 16:3-29.120 Limitations.

An order adopting the above amended rules was filed and effective November 13, 1970 as R.1970 d.137.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(e)

**TREASURY**

**STATE INVESTMENT COUNCIL**

**Qualifications of Mortgage Bankers**

On October 30, 1970, Richard L. Stoddard, Acting Deputy State Treasurer, pursuant to authority of N.J.S.A. 52:18A-89, and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted amendments to certain regulations of the State Investment Council concerning the qualifications of mortgage bankers, as proposed in the Notice published September 10, 1970 at 2 N.J.R. 77(b).

An order adopting the above amendments was filed and effective October 30, 1970 as R.1970 d.131.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

(f)

**TREASURY**

**DIVISION OF TAXATION**  
**MOTOR FUELS TAX BUREAU**

**Proposed Regulation Concerning the Taxation of Gasoline Jobbers Under the Motor Fuels Tax Act**

Sidney Glaser, Acting Director of the Division of Taxation, Department of the Treasury, pursuant to authority of N.J.S.A. 54:39-10, proposes to amend N.J.A.C. 18:18-1G(9)a, to read as follows (additions indicated in bold face thus; deletions indicated within brackets (thus)):

N.J.A.C. 18:18-1 DEFINITIONS — The following terms, whenever used or referred to in these Regulations, shall have the meanings given unless a different meaning clearly appears from the context:

**G. GASOLINE JOBBER** means a motor fuels wholesale dealer who regularly makes 95% or more of his gasoline sales to not less than 25 retail dealers, fleet operators or other large consumers, including farm accounts and who maintains fixed gasoline storage facilities having a capacity of 50,000 gallons or more either owned or rented under lease for a term of not less than 1 year.

(9) Gasoline Storage Facilities — A Gasoline Jobber must maintain, in this State, at all times throughout the year, fixed storage facilities for gasoline, having a minimum capacity of 50,000 gallons.

(a) In determining the 50,000 gallons or more requirement, the storage tank facilities owned or leased for a term of not less than one year, and maintained by a gasoline jobber located on premises used for making of retail gasoline sales [by the jobber] may be included; provided, the jobber can furnish, upon request, proof that such ownership or lease arrangement is bona fide, the result of an arm's length transaction, and that such facilities are used primarily and directly for the furtherance of the gasoline jobber's business.

Interested persons may present statements or arguments in writing, orally in person or by telephone, relevant to the proposed action on or before December 31, 1970 to:

Motor Fuels Tax Bureau  
Division of Taxation  
West State and Willow Streets  
Trenton, New Jersey 08625  
Telephone (609) 292-4840

The Department of the Treasury, Division of Taxation, upon its own motion or at the instance of any interested party, may thereafter adopt the above rule substantially as set forth without further notice.

Sidney Glaser  
Acting Director  
Division of Taxation

(g)

**TREASURY**

**DIVISION OF TAXATION**  
**TRANSFER INHERITANCE TAX BUREAU**

**Proposed Changes in Transfer Inheritance Tax Rules**

Sidney Glaser, Acting Director of the Division of Taxation in the Department of the Treasury, pursuant to authority of N.J.S.A. 54:50-1, proposes to adopt certain new rules and amend certain existing rules of the Transfer Inheritance Tax Bureau concerning the taxation of decedents under the Transfer Inheritance Tax Act (N.J.S.A. 55:33-1, et seq.), as follows (additions indicated in bold face thus; deletions indicated within brackets (thus)):

**N.J.A.C. 18:26-54. DIVIDENDS AND REFUNDS ON LIFE INSURANCE POLICIES**

Dividend accumulations, post mortem dividends, terminal dividends and premium refunds on contracts of life insurance although payable at the same time are not considered part of the life insurance proceeds of the policy and are taxable to the beneficiary as transfers taking effect at or after the death of the insured.

**N.J.A.C. 18:26-69 PENSIONS**

A. Federal—The proceeds 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 [is] are exempt.

B. State  
(1) All payments at death under the Teachers' Pension and Annuity Fund, the Public Employees' Retirement System of New Jersey and the Police and Firemen's Retirement System of New Jersey, and such other State, County, and Municipal Systems as may have a tax exemption clause as broad as that of the three major State Systems aforementioned whether such payments on death either before or after retirement are made to the employee's estate or to his specifically designated beneficiary, are exempt from the New Jersey Inheritance Tax.  
[The proceeds of the additional life insurance which members of the various systems may purchase voluntarily, are subject to tax if payable to a member's estate but exempt if payable to a designated beneficiary.]

The benefit payable under the Supplementary Annuity Plan of the State of New Jersey is not considered a benefit of the Public Employees' Retirement System and is taxable whether paid to a designated beneficiary or to the estate.  
(2) The benefits paid to decedent's widow by the New Jersey State Firemen's Association per N.J.S.A. 43:13-2 are exempt from taxation.  
(3) The death benefits paid by the Social Security Administration or Railroad Retirement Board to the spouse of a decedent are also exempt. For purposes of filing a return these amounts need not be reported nor are they to be deducted from the amount claimed as a deduction for funeral expenses.

In all other cases the death benefit involved should either be reported as an asset of the estate or deducted from the amount claimed for funeral expenses.  
Cross reference: N.J.S.A. 54:34-4(h).

**N.J.A.C. 18:26-86 LOANS SECURED BY LIFE INSURANCE POLICIES**

A loan made to a decedent as the insured by an insurance company against a life insurance policy is not considered a debt of the decedent but rather an advancement on the cash value of the policy and the deduction is not allowable.

A loan made by a third party to a decedent secured by

the assignment of a life insurance policy on the life of the decedent and satisfied from the proceeds of the policy is also not allowable. However, the right of the beneficiary to reimbursement from the estate for the amount of the loan is a proper claim by way of subrogation against the decedent's estate and is an allowable deduction unless a contrary intention is indicated.

#### N.J.A.C. 18:26-132 CONSENT TO TRANSFER (IN GENERAL)

A. Except as otherwise indicated in these regulations, no executor, administrator, trustee, individual, firm, association, partnership, organization or corporation including any banking institution, trust company or safe deposit company organized under the laws of New Jersey; National Bank operating in this state; Building and Loan Savings and Loan Associations engaged in New Jersey; or credit unions chartered by the United States operating in this state, may release or transfer any real property or any tangible or intangible personal property which is subject to the Transfer Inheritance Tax, all or any part of which belongs to a resident [or non-resident] decedent, whether held in the name of the decedent or otherwise, without first obtaining the written consent to such transfer or release from the Director.

B. No waivers are required in estates of non-resident decedents.

There is, however, the necessity of definitely establishing to the satisfaction of the trustee, individual, firm, association, partnership, organization or corporation (its transfer agent) including any banking institution, trust company or safe deposit company organized under the laws of New Jersey; National Bank operating in this state; Building and Loan Savings and Loan Associations engaged in New Jersey; or credit unions chartered by the United States operating in this state that the decedent was legally domiciled in a jurisdiction other than New Jersey. The proper procedure is for the personal representative of the estate to file with the proper party as aforesaid an affidavit establishing in some detail the facts as to domicile.

These should include place of residence and voting; social and business affiliations, where the last five income tax returns were filed prior to death; date of commencement and length of actual residence in place claimed as legal domicile; whether decedent formerly resided in New Jersey and, if so, what facts are relied upon to establish abandonment of New Jersey and intention not to return.

If from the proofs submitted to him the proper party as aforesaid is convinced that decedent was legally domiciled outside of New Jersey he may transfer the stock or obligation of the corporation or any other tangible or intangible personal property without the written consent of the Director, Division of Taxation, keeping the affidavit in his permanent files as authority for the action taken.

C. In the absence of the express approval of the Director, waivers are not issued until the passage of ten business days following the receipt of payment.

Cross reference: N.J.S.A. 54:35-19.

#### N.J.A.C. 18:26-139 TRANSFERS NOT SUBJECT TO WAIVER

A. Checking to Savings Account—Funds of a decedent on deposit in a checking account in any bank may be transferred to an interest bearing account in the same bank in the name of the decedent or his estate without obtaining a waiver; however, such transfer requires that the banking institution promptly file a notice with the Transfer Inheritance Tax Bureau, Trenton, New Jersey, containing the following information:

1. Decedent's name;
2. Date of death and domicile;
3. Name and address of executor or administrator of estate; and,
4. The account number sought to be transferred and the balance on deposit as of the date of death.

In any event, the bank is required to retain the same control over the substituted account as the original account until the New Jersey Inheritance Tax is provided for and paid.

B. From One Fiduciary To Another—Bonds and/or stock of a New Jersey Corporation or a national bank located in New Jersey, or any money deposited in any trust company, bank, or other institution in the name of one fiduciary as executor, administrator or trustee or guardian, may, upon the death of such fiduciary, be transferred without a New Jersey Transfer Inheritance Tax waiver to, or on the order of, the legally appointed substitute for the deceased fiduciary.

C. From Joint Fiduciaries to Successors—Bonds and/or stock of a New Jersey corporation or a national bank located in New Jersey or any money deposited in any trust company, bank, or other institutions in the names of two or more fiduciaries as executors, administrators, trustees or guardians, may, upon the death of one or more of such fiduciaries be transferred without a New Jersey transfer inheritance tax waiver to, or on the order of, the surviving fiduciary or fiduciaries.

D. Partnership Interest—The written consent of the Director is not required for the transfer of real or personal property, tangible or intangible, owned by a bona fide partnership in which a decedent had an interest.

E. Assets Held by a Non-resident Custodian—A waiver is not required in order to transfer any assets held by a non-resident custodian on behalf of a resident or non-resident decedent.

F. Tangible or Intangible Personal Property—A waiver is not required in order to transfer all other tangible or intangible personal property, including but not limited to:

1. Wages
2. Salaries
3. Vacation and sick leave pay
4. Payment under pension, profit sharing, bonus sharing, bonus plans or stock purchase plans.
5. All automobiles

6. Mortgages
  7. Accounts Receivable
  8. Household goods
  9. Personal effects
  10. Funds [credited to the account of a decedent in accordance with] held in an account in the name of a funeral director in trust for a decedent in accordance with the provisions of N.J.S.A. 2A:102-13 (advance funeral payment)
  11. Funds to a decedent's credit in a Credit Union plan organized under N.J.S.A. 17:13-26 et seq., in addition to any matching sums paid under any type of Credit Union plan in the form of a life insurance where said matching sum is directed to be paid to a decedent's estate or his executor or administrator.
- However, funds held under the Federal Credit Union Act must be reported and a waiver obtained.
- Any property, the transfer of which is not subject to first obtaining a waiver, must, nevertheless, be reported on a decedent's return.

Cross reference: N.J.S.A. 54:35-19.

#### N.J.A.C. 18:26-142 BLANKET WAIVER

Notwithstanding any other provision contained in these regulations, regarding the release of funds; any banking institution, trust company or safe deposit company organized under the laws of this State; national bank operating in this State; building and loan or savings and loan association in this State; or credit union chartered by the United States and operating in this state; corporation or person may release any amount up to 50% of the entire amount of funds on hand held on deposit, which belong to or stand in the name of a resident decedent or in the joint names of such decedent and one or more other persons, to:

1. An executor
2. Administrator
3. Legal representative of the decedent
4. Surviving joint tenant
5. Cestui que trust; or
6. The estate of a minor where title to said funds are held in the name of a custodian for said minor, without the written consent of the Director, upon the application of such proper party to the institution, association, organization, corporation or person above mentioned.

A. The provisions of this regulation apply to each institution, association or organization, corporation or person listed above with whom a decedent has any funds on deposit, including Certificates of Deposit, limited to no more than 50% of the funds in the entire account whether such account is held in the decedent's name only or jointly with another so that where the decedent holds an account jointly, only one half of the funds may be released, not the half claimed by a joint owner and an additional half of the funds belonging to the decedent.

B. In addition to the amount permitted to be released by an institution, association, organization, corporation or person abovementioned, in this regulation such institutions, associations, organizations, corporations, or persons may, without the written consent of the Director:

1. Pay any and all checks drawn on any account owned by a decedent individually, jointly, or otherwise, when said checks are issued prior to death and presented for payment within 10 days following the decedent's date of death; except that in the event an executor, administrator, or other proper party abovementioned in this regulation, shall apply for a release of 50% of the funds on deposit after 10 days from the decedent's death, the institution, association, organization, corporation, or person abovementioned in this regulation holding such funds shall after having deducted the amount of any checks issued prior to and presented for payment within 10 days of the decedent's death, release 50% of the balance in a decedent's account to the proper party upon application and without the written consent of the Director.

2. Pay any checks in any amount for which there are sufficient funds held in deposit, drawn on any account owned by a decedent individually, jointly or otherwise, representing full or partial payment of any N.J. Transfer Inheritance Taxes and made payable to the Treasurer, State of New Jersey.

3. Liquidate the loan of any decedent who has pledged the pass book representing a savings account as collateral for a loan, where upon the death of such a decedent the loan is in default and then make 50% of the remaining funds available under the blanket waiver, but

C. Securities of a New Jersey Corporation registered in the name of a decedent and issued by any bank, or savings and loan association situate in this State, are not subject to the Blanket Waiver rule provided for in this regulation; therefore, the written consent of the Director must be obtained in order to transfer or release such assets.

D. The Director reserves the right to direct, at any time that any sum or sums not yet paid over shall be withheld by the informant pending further order of the Director where that course is deemed imperative to protect the interest of the State.

Cross reference: N.J.S.A. 54:35-19.

#### N.J.A.C. 18:26-143 FUNDS HELD IN A BANKING INSTITUTION

Except as otherwise indicated in these regulations, unless a waiver is first obtained, no banking institution, trust company or safe deposit company organized under the laws of the State of New Jersey; national bank operating in the State of New Jersey; building and loan or savings and loan association organized under the laws of the State of New Jersey; credit unions chartered by the United States operating in the State of New Jersey; or corporation, or person may release or transfer any funds, securities, deposits or other assets belonging to or on deposit to the credit of a decedent whether held,

1. In the name of such decedent individually, as co-depositor, jointly, trustee, agent, cestui que trust, or in any

other capacity, excepting when held as custodian for a minor pursuant to N.J.S.A. 46:38-1 et seq., [or in any other capacity]; or,

[2. As co-trustee with one or more persons in trust for a beneficiary under N.J.S.A. 46:38-1 et seq., upon the death of either of the trustees or the named beneficiary; or,]

[3.] 2. As rental security deposits under the provisions of N.J.S.A. 46:8-19 et seq.

A. Bank Accounts—Where funds are held on deposit in any banking institution to the credit of a person and payable on the death of such person, to a named beneficiary, upon the death of named beneficiary, no waiver is required to transfer or release such funds to the beneficiary upon the death of the principal.

B. Double Dollar Accounts—Where, upon the death of a decedent having funds on deposit to his credit, individually, in a joint account with right of survivorship of trustee account, in a banking institution located in New Jersey, there is credited to the account the proceeds of a life insurance contract, the consent of the Director is required to release the amount on deposit after crediting thereto the proceeds of the life insurance policy. In order to determine the taxability thereof, the type of account is to be indicated on the return.

Cross reference: N.J.S.A. 54:35-19.

#### N.J.A.C. 18:26-145 SAFE DEPOSIT BOXES

No safe deposit company, trust company, bank, or other institution may deliver or transfer any securities, deposits, or other assets contained in a safe deposit box within its control or possession which belongs to or stands in the name of a resident decedent or in the joint names of a resident decedent and one or more other person unless, after inspection, a release is obtained from the District Supervisor of the Transfer Inheritance Tax Bureau operating in the district where the safe deposit box is located.

A. Resident—Entry Prior to Inventory - Will - Deed to Cemetery Lots - Life Insurance Policy

1. A safe deposit box rented in the name of the decedent, individually or as a joint renter, is automatically sealed by the death of the decedent by law; however, the box may be opened in the presence of an officer or authorized employee of the bank and a proper representative of the estate for the purpose of ascertaining whether the contents include the decedent's last will and testament, a deed of a cemetery lot, or the insurance policies made payable to designated beneficiaries. If the contents include any of the above items, such items only may be delivered to the proper party in interest or the representative of the decedent's estate by the bank official present at the time of entry but there shall be completed at that time memorandum by the bank reciting the date of entry, a list of items removed and the address of the representative of the estate. The box is then resealed until inventoried by the District Supervisor.

2. Empty Box to Be Released—No inspection by the District Supervisor is required where, after entry to the safe deposit box for the purpose of locating and obtaining any of the items mentioned in paragraph (1) above, the box is found to be empty, in which event the written consent of the Director of the Division of Taxation is not required in order to effect the release and surrender of the box, provided a notice, in duplicate, containing the following information is filed with the District Supervisor having jurisdiction in the county of which the decedent died a resident, within ten days of the opening of the box.

- a. Name of decedent, date of death, county of which decedent died a resident.
- b. Box number, name of bank where located.
- c. Name or names in which box was registered.
- d. Name of official employee of bank present at opening of box.
- e. Purpose for which box was entered.
- f. Name, relationship to decedent and address of representative of estate, permitted access to box.
- g. Certification that the box was found empty.
- h. Date, and by whom, last entry was made.

3. Inventory by District Supervisor—The inventory of the contents of a safe deposit box must be made by the District Supervisor or other representative of the Transfer Inheritance Tax Bureau operating in the district where the box is located in the presence of a proper representative of the decedent's estate. Following the completion of the inventory, a release of the box is delivered by the District Supervisor to the bank, unless the contents include currency or negotiable securities, not necessitating waivers. In instances of that nature the District Supervisor shall exercise his judgment as to whether or not the box must be resealed pending the completion of the Inheritance Tax proceeding or the establishment of security for the payment of the Transfer Inheritance tax liability.

B. Deputies—A safe deposit box rented in the name of [decedent] a person, with right of access by a person named as deputy, may be released upon the death of the deputy without notice of release or inspection, provided the contract of rental includes a provision that said box shall not be used as a receptacle for the deputy's property.

C. Partnership—The contents of a safe deposit box rented in the names of a partnership is not subject to inspection upon the death of a partner and a release is not necessary.

D. Corporation—The contents of a safe deposit box rented in the name of a corporation is not subject to inspection upon the death of an officer or employee of the corporation having right of access thereto and a release is therefore not necessary.

E. Fiduciaries

1. Single—No inspection or release from the District Supervisor is necessary where a safe deposit box is rented in the name of one fiduciary as executor, administrator or trustee and the contents of this box are to be placed

**Transfer Inheritance Tax Rules—continued**

under the control of a legally appointed substitute for the deceased fiduciary, or,

2. Joint—Where a safe deposit box is rented in the names of two or more fiduciaries as executors, administrators or trustees and the contents are placed under control of the surviving fiduciary or fiduciaries, no inspection or release from the District Supervisor is necessary.

F. Non-Resident Decedent—A box rented in the name of a non-resident decedent may be released without inspection or release; however, a bank official [may] must call for proof establishing the domicile of the decedent as of the date of death as set forth in Reg. 18:26-132B.  
Cross reference: N.J.S.A. 54:35-20

Interested persons may present statements or arguments in writing, orally in person or by telephone, relevant to the proposed action, on or before December 31, 1970, to:

Transfer Inheritance Tax Bureau  
Division of Taxation Building  
West State and Willow Streets  
Trenton, New Jersey 08625  
Attention: Estelle M. Cohen  
Telephone: (609) 292-5185

The Division of Taxation, Department of the Treasury, upon its own motion or at the instance of any interested party, may thereafter adopt the above rules substantially as set forth without further notice.

Sidney Glaser  
Acting Director  
Division of Taxation  
Department of the Treasury

(a)

**TREASURY**

**DIVISION OF THE STATE LOTTERY  
STATE LOTTERY COMMISSION**

**Proposed Rules for State Lottery**

The State Lottery Commission, pursuant to authority of N.J.S.A. 5:9-7(a), proposes to adopt rules and regulations for the establishment and operation of the New Jersey State Lottery.

The proposed rules and regulations set forth the types of lottery to be conducted, the prices of lottery tickets, the number and sizes of prizes to be awarded to holders of winning tickets, the manner of selecting winning tickets, the manner of payment of prizes to holders of winning tickets, the frequency of the selection of winning tickets, the licensing of agents to sell tickets, the method to be used in selling tickets, and the consignment of tickets to licensed sales agents.

Copies of the complete text of the proposed rules and regulations may be obtained from:

Office of the Director  
Division of the State Lottery  
West State and Willow Streets  
Trenton, New Jersey 08625

Interested persons may present statements or arguments in writing relevant to the proposed action to the State Lottery Commission at the above address, on or before January 1, 1971.

The State Lottery Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposed rules and regulations without further notice.

Ralph F. Batch  
Executive Director  
State Lottery Commission  
Division of the State Lottery

(b)

**HACKENSACK MEADOWLANDS  
DEVELOPMENT COMMISSION**

**Interim Zoning Regulations Amended**

On November 5, 1970, the Hackensack Meadowlands Development Commission, pursuant to authority of Chapter 404, Laws of 1968, (N.J.S.A. 13:17-1, et seq.) and in accordance with applicable provisions of the Administrative Procedure Act of 1968, adopted certain technical and clarifying amendments to the Interim Zoning Regulations, substantially as proposed in the Notice published October 8, 1970 at 2 N.J.R. 87(a) as follows:

Pg. 10—Sec. 5-118, line 4, delete "3" and insert "13".

Pg. 12—Sec. 6-103 (F), at the end of subsection, insert " provided that a landfill operation which is being conducted as a necessary component of and incidental to the immediate construction of a specific building or structure, shall not be subject to the provisions of this Section."

Pg. 12—Sec. 6-104 (B), delete paragraph (c) and insert:  
"(c) Multiple-family dwelling and single-family attached dwellings: 50 feet

(d) Other permitted uses and special exceptions: 75 feet"

Pg. 13—Sec. 6-202 (A), delete "except single family and two family dwellings."

Pg. 14—Sec. 6-203 (B), at the end of the Subsection, insert " provided that a landfill operation which is being conducted as a necessary component of and incidental to the immediate construction of a specific building or structure, shall not be subject to the provisions of this Section."

Pg. 14—Sec. 6-204, delete subsection (A) and (B) and insert:

"(A) Minimum lot area  
(1) Single-family detached and two-family dwelling: 5000 sq. feet

(2) Multiple-family and single-family attached dwellings: 1000 sq. feet per dwelling unit, but not less than 5000 sq. feet

(3) Other permitted and special exception uses: 15,000 sq. feet

(B) Minimum lot width:

(1) Single-family detached dwellings: 50 feet

(2) Two-family dwellings: 50 feet

(3) Multiple-family and single-family attached dwellings: 50 feet

(4) Other permitted uses and special exceptions: 75 feet."

Pg. 14—Sec. 6-205 (B) (2) (a), delete and insert:  
"(a) Residential buildings: 10% of the lot width, but not less than 6 feet. Residential buildings which have the entrances to 2 or more units facing the side yard shall have a minimum side yard of 10 feet on the side of the building on which such entrances are located."

Pg. 15—Sec. 6-205 (B) (2) (b), delete "and conditional uses" and insert:  
"uses and special exceptions"

Pg. 16—Sec. 6-303 (B), at the end of the Subsection, insert " provided that a landfill operation which is being conducted as a necessary component of and incidental to the immediate construction of a specific building or structure, shall not be subject to the provisions of this Section."

Pg. 19—Sec. 6-402, at the end of this Section, add "(L) Warehouse for the storage of materials, goods or products and business offices accessory thereto."

Pg. 19—Sec. 6-403 (B), at the end of the Subsection, insert " provided that a landfill operation which is being conducted as a necessary component of and incidental to the immediate construction of a specific building or structure, shall not be subject to the provisions of this Section."

Pg. 22—Sec. 6-503 (B), at the end of this Subsection, insert " provided that a landfill operation which is being conducted as a necessary component of and incidental to the immediate construction of a specific building or structure, shall not be subject to the provisions of this Section."

Pg. 28—Sec. 7-602, at the end of the Section, add: "(C) Any applicant for a zoning certificate, special exception or variance, pursuant to this Resolution, shall upon request of the Office of Chief Engineer, submit proof that the proposed use is safe and not detrimental to the use or development of neighboring property in accordance with applicable district regulations."

Pg. 62—Sec. 13-202 after Subsection (D) add:

"(E) If the zoning lot is subject to the State's riparian interest as shown on a map issued by the Natural Resource Council, Department of Environmental Protection (formerly Resource Development Council), Department of Conservation and Economic Development) pursuant to the provisions of Chapter 404 of the Laws of 1968, a copy of one of the following:

(1) A copy of a duly executed riparian instrument releasing the State's interest.

(2) A copy of a duly executed permit authorizing the applicant to proceed with the placement of certain improvements.

(3) A final judgment rendered by a court of competent jurisdiction declaring that the State has no interest in the subject property."

Pg. 65—Sec. 13-209, line 6, delete "zoning administrator" and insert "Chief Engineer".

Pg. 67 — Sec. 13-403, at the end of the Section, add the following paragraph:

"Notwithstanding the provisions of this section, in cases of variances from the area and bulk requirements of this resolution, the Chief Engineer shall give notice, as required by law, but a public hearing on the matter shall not be required. Provided, however, that comments in writing, relative to an application may be submitted to the Office of Chief Engineer within 10 days of the receipt of notice. The Chief Engineer shall, in his discretion, call a public hearing on any matter he deems of sufficient importance or on which there has been substantial adverse comment filed relative thereof."

Pg. 68 — Sec. 13-405, line 2, delete "11-504 (A)" and insert "13-404".

Pg. 69—Sec. 13-407, after the first sentence of the Section, add the following sentence:

"In cases where a hearing is not required, the Chief Engineer shall render a written decision in not less than 10 nor more than 60 days from the date of receipt of notice."

Pg. 80—Sec. 14-109, at the end of the definition of "Landfill Operations" insert " provided that the amount of lumber or wood shall not exceed 5% of volume."

Pg. 81 — Sec. 14-109, delete the definition of "Motor Freight Terminal" and insert in lieu thereof:

"Motor Freight Terminal:  
A building or area in which the semi-trailers, including tractor and/or trailer units, and other trucks are parked, stored, and serviced, and where there may also be the assembly and/or storage of materials and goods."

Pg. 84 — Sec. 14-109, at the end of this Section insert:

"Warehouse:  
A building in which materials and goods are stored and/or assembled."

Copies of the complete text of the Interim Zoning Regulations are available upon request from:

Hackensack Meadowlands Development Commission  
Office of Chief Engineer  
Box 85  
Lyndhurst, New Jersey

An order adopting the above amendments was filed November 6, 1970 as R.1970 d.135.

Albert E. Bonacci  
Director of Administrative Procedure  
Department of State

**STATE NEWS OF  
PUBLIC INTEREST**

**GOVERNOR'S MANAGEMENT COMMISSION  
RECOMMENDS REORGANIZATION OF  
EXECUTIVE BRANCH**

On November 9, 1970, Governor William T. Cahill received the final report on the Executive Branch of New Jersey State government from the Governor's Management Commission. The 316-page report was prepared by a team of executives from leading New Jersey business firms, which also financed the study.

The report contains a detailed department-by-department analysis of the Executive Branch, together with recommendations for a complete reorganization which would consolidate the 17 existing executive departments into six new departments. Four of these new departments would be Administration, Planning and Control, Public Services, and Development, all headed by Secretaries. The Attorney General's department and the Secretary of State's function would be retained. However, the Secretary of State's administrative responsibilities would be transferred to other agencies. All statutory authority now vested in existing departments or other units of the Executive Branch would be vested in the six new departments.

Under the proposed plan, the Departments of Institutions and Agencies, Law and Public Safety, Treasury, Agriculture, Banking, Insurance, Public Utilities, Civil Service, State, Environmental Protection, and Labor and Industry would be either abolished entirely or substantially reconstituted and 11 new agencies created.

The objectives of the proposed reorganization include:

Reducing the Governor's span of control to manageable proportions,

Providing stronger management at the top level government,

Eliminating duplication and promoting efficiency by realigning operating units into logical patterns of functional responsibility,

Centralizing certain interdepartmental functions, Establishing centralized control of planning and program management,

Centralizing personnel control and decentralizing personnel administration,

Establishing effective work performance standards and management information systems, and

Providing for adequate program management at all levels of government where the State is involved.

The report is available at \$25 per copy from:

Governor's Management Commission  
109 West State Street  
Trenton, New Jersey 08608

**FEDERAL AID FOR LOCAL COMMUNITIES  
INFORMATION RETRIEVAL SYSTEM  
DEMONSTRATED**

Local government officials were able to get on-the-spot information about federal aid for their communities through a modern information retrieval system demonstrated recently by the New Jersey Department of Community Affairs.

The system, consisting of an electronic typewriter connected through a telephone hookup to a computer in Boston, was displayed at the Department's exhibit booth at the Annual Conference of the New Jersey State League of Municipalities in Atlantic City from November 17-20.

Local officials were able to present their questions to a computer operator who fed the computer by typing a few key words that described who is applying for aid (city, school non-profit organization, etc.), what type of aid is needed (grant, loan, scholarship, etc.), what it is needed for (construction, planning, training, etc.) and the specific problem area (education, housing, recreation, etc.).

The system then did the rest. Through the telephone system, the information was referred to a master computer in Boston which, in a matter of seconds, sent back on the typewriter a list of the appropriate federal assistance programs. The officials could then ask additional questions for more specific information about each program.

Community Affairs Commissioner Edmund T. Hume expressed the hope that local government officials attending the conference would make an effort to utilize the computer at least once to determine whether it could be of assistance.

"It has long been apparent that many communities are not fully aware of the myriad federal assistance programs that could help them meet a wide variety of local needs," Hume said. "Through the use of this computer system, we are hopeful that local officials will be able to receive quick answers about available federal aid and information on how to receive it."

Hume said the Department decided to demonstrate the computer over the four-day convention in an effort to gauge its effectiveness. He said all local officials who used it will be asked to complete questionnaires on whether the system proved to be helpful and whether the Department should consider implementing this or a similar system as a regular State service to local governments.

The information system, a product of Applied Urbanetics, Inc., a Washington-based systems design firm, contains updated information about more than 1,300 federal aid programs.