

[First Reprint]

ASSEMBLY, No. 4375

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED JANUARY 4, 2010

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

Co-Sponsored by:

Senators Cunningham and Weinberg

SYNOPSIS

Revises provisions of “Municipal Rehabilitation and Economic Recovery Act” concerning the economic recovery term.

CURRENT VERSION OF TEXT

As amended by the General Assembly on January 7, 2010.



(Sponsorship Updated As Of: 1/12/2010)

1 AN ACT concerning urban revitalization and amending and
2 supplementing P.L.2002, c.43.

3

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

6

7 1. Section 5 of P.L.2002, c.43 (C.52:27BBB-5) is amended to
8 read as follows:

9 5. Upon receipt of notification by the commissioner pursuant to
10 section 4 of P.L.2002, c.43 (C.52:27BBB-4), the Chief Justice may
11 designate a Superior Court judge who sits within the vicinage of the
12 county in which the qualified municipality is situated or a retired
13 judge who, during his or her tenure as a judge, served within the
14 vicinage of the county in which the qualified municipality is
15 situated as the special arbitrator as prescribed pursuant to P.L.2002,
16 c.43 (C.52:27BBB-1 et al.) to serve during the rehabilitation term
17 only. The designation shall expire at the commencement of the
18 economic recovery term. The special arbitrator shall, on an
19 expedited basis, oversee the resolution of any impasse brought
20 before the special arbitrator by the chief operating officer pursuant
21 to sections 9, 11, 13, 16, 22, and 27 of P.L.2002, c.43
22 (C.52:27BBB-9, C.52:27BBB-11, C.52:27BBB-13, C.52:27BBB-
23 16, C.52:27BBB-22, and C.52:27BBB-27) or any other impasse
24 resulting from any action or failure to act on the part of the mayor,
25 the governing body or any other officer or appointee of the
26 municipality. The special arbitrator may adopt those procedures
27 necessary to govern the resolution of an impasse and shall use the
28 following criteria in dispute resolution, as appropriate to the
29 particular circumstances:

30 a. The action or failure to act would be adverse to the
31 rehabilitation or economic recovery of the municipality;

32 b. The action in question or failure to act would represent an
33 unsound decision in violation of the fiduciary responsibility of the
34 municipal officials;

35 c. The action or failure to act would be inconsistent with
36 internal financial controls or would violate prudent standards or
37 practices of municipal administration or would violate or
38 compromise State laws, rules or regulations under which the
39 municipality operates; and

40 d. the action or inaction would delay the implementation of
41 P.L.2002, c.43 (C.52:27BBB-1 et al.) or the achievement of the goal
42 of fostering the redevelopment and rehabilitation of qualified
43 municipalities and ensuring the effective delivery of municipal
44 services and professionalization of municipal administration.

45 (cf: P.L.2002, c.43, s.5)

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted January 7, 2010.

1 2. Section 6 of P.L.2002, c.43 (C.52:27BBB-6) is amended to
2 read as follows:

3 6. a. Upon the appointment of a chief operating officer
4 pursuant to section 7 of P.L.2002, c.43 (C.52:27BBB-7), a qualified
5 municipality shall be under rehabilitation and economic recovery.
6 This period shall begin with the assumption of job responsibilities
7 by the chief operating officer pursuant to this section and terminate
8 five years following the end of the term of the chief operating
9 officer. The period corresponding with the term of the chief
10 operating officer shall be referred to hereinafter as the rehabilitation
11 term. The period commencing with the expiration of the term of the
12 chief operating officer and terminating five years thereafter shall be
13 referred to hereinafter as the economic recovery term.

14 b. (1) During the economic recovery term, the mayor shall
15 exercise those powers delegated to the mayor pursuant to the form
16 of government, the charter and the administrative code of the
17 municipality, and those powers delegated to the mayor under
18 general law. In addition, during the economic recovery term, the
19 mayor shall retain the power to veto the minutes of any independent
20 board or authority, including, but not limited to, the housing
21 authority, parking authority, redevelopment authority, planning
22 board and board of adjustment. No action taken at any meeting of
23 any independent board or authority shall have force or effect until
24 10 days, exclusive of Saturdays, Sundays and public holidays, after
25 the copy of the minutes shall have been delivered to the mayor. If,
26 in that 10-day period, the mayor returns the copy of the minutes
27 with a veto of any action taken by the board or authority at the
28 meeting, that action shall be null and void and of no force and
29 effect. Following the completion of the 10-day period, those
30 actions not vetoed shall be considered approved.

31 (2) During the first 18 months of the economic recovery term,
32 the mayor shall have the powers to veto or terminate any
33 employment contract not subject to a collective bargaining
34 agreement, whether or not subject to Title 11A, Civil Service, of the
35 New Jersey Statutes. ¹This shall not apply to employment contracts
36 under extension pursuant to terms under the expired contract.¹

37 (3) The mayor shall cause to be issued a final report on the
38 progress of the municipality toward achieving municipal
39 rehabilitation and economic recovery, as set forth in section 8 of
40 P.L.2002, c.43 (C.52:27BBB-8) at the end of the economic recovery
41 term.

42 (4) The mayor shall authorize the municipal planning board,
43 from time to time, to prepare a program of municipal capital
44 improvement projects projected over a term of at least six years,
45 and amendments thereto. The program may include current and
46 future major projects being, or to be, undertaken with federal, State,
47 county, or other public funds, or under federal, State, or county
48 supervision. The first year of the program shall, upon adoption by

1 the governing body, constitute the capital budget of the
2 municipality as required by N.J.S.40A:4-43 et seq. The program
3 shall classify projects in regard to the urgency and need for
4 realization, and shall recommend a time sequence for their
5 implementation. The program may also contain the estimated cost
6 of each project and indicate probable operating and maintenance
7 costs and probable revenues, if any, as well as existing sources of
8 funds, or the need for additional sources of funds, for the
9 implementation and operation of each project. The program shall,
10 as far as possible, be based on existing information in the
11 possession of the departments and agencies of the municipality and
12 shall take into account public facility needs indicated by the
13 prospective development shown in the master plan of the
14 municipality or as permitted by other municipal land use controls.

15 (5) While the municipality is under rehabilitation and economic
16 recovery, the mayor shall retain the power to make those
17 appointments to municipal authorities, boards or commissions, as
18 the case may be, which is otherwise allocated to the mayor pursuant
19 to law.

20 The mayor may retain staff for the purpose of advising the mayor
21 and aiding in the performance of constituent services during the
22 rehabilitation term.

23 (6) The Director of the Division of Local Government Services
24 in the Department of Community Affairs ¹may continue to provide
25 for oversight and to ²shall annually conduct a compliance ³audit
26 ⁴of the activities of a qualified municipality during the economic
27 recovery term ⁵[, and] ⁶to ensure compliance with P.L.2002, c.43
28 (C.52:27BBB-1 et al.) and other relevant State laws and shall ⁷report the findings to the Local Finance Board and the mayor.

30 (7) ¹[There shall be established during the economic recovery
31 term an annual municipal services impact fee on the tax exempt real
32 property used or owned by not-for-profit entities operating in the
33 municipality. The municipality shall adopt an ordinance that shall
34 govern the collection of this fee. The fee shall be \$100 per full-
35 time equivalent employee working at or from the exempt property
36 and shall be in addition to any payments in lieu of taxes or special
37 assessments paid by the not-for-profit entity. The revenue from the
38 municipal services impact fee shall be dedicated to capital
39 improvements and debt service to finance capital improvements.
40 The municipal services impact fee shall expire at the end of the tax
41 quarter when the municipality is notified that it is no longer eligible
42 for financial assistance pursuant to the "Special Municipal Aid
43 Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.). For the purposes
44 of this paragraph, "full-time equivalent employee" means a
45 computed statistic representing the number of full-time employees
46 that could have been employed if the reported number of hours
47 worked by part-time employees or volunteers had been worked by

1 full-time employees. This statistic is calculated by dividing the sum
2 of the "part-time hours paid" and hours volunteered by the standard
3 number of hours for full-time employees with the particular not-for-
4 profit entity, and then adding the resulting quotient to the actual
5 number of full-time employees working at or from the tax exempt
6 real property.

7 (8)]¹ The financial incentives set forth in sections 54 through 56
8 of P.L.2002, c.43 (C.52:27BBB-53 through 55) shall remain in
9 effect until the municipality is no longer eligible for financial
10 assistance pursuant to the "Special Municipal Aid Act," P.L.1987,
11 c.75 (C.52:27D-118.24 et seq.).

12 c. Upon the assumption of job responsibilities by the chief
13 operating officer, the financial review board created pursuant to
14 section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the
15 finances of the municipality shall cease to function and the
16 municipality shall cease to be under supervision pursuant to Article
17 4 of P.L.1947, c.151 (C.52:27BB-54 et seq.).

18 All outstanding debts or obligations incurred by a qualified
19 municipality or the New Jersey Housing and Mortgage Finance
20 Agency established pursuant to section 4 of the "New Jersey
21 Housing and Mortgage Finance Agency Law of 1983," P.L.1983,
22 c.530 (C.55:14K-4) and secured by a right of first refusal on
23 municipally-owned property as of 10 days following a
24 determination by the commissioner that the municipality fulfills the
25 definition of a qualified municipality pursuant to section 4 of
26 P.L.2002, c.43 (C.52:27BBB-4), with any subsidiary of that agency
27 with jurisdiction in a qualified municipality, other than those debts
28 or obligations represented by bonds or other negotiable instruments,
29 are forgiven.

30 Notwithstanding the termination of the financial review board
31 and supervision, all memorandums of understanding entered into by
32 the municipality as a condition of receiving assistance under
33 P.L.1987, c.75 (C.52:27D-118.24 et seq.) that require the
34 municipality to implement any government, administrative,
35 operational efficiency or oversight measures necessary for the fiscal
36 recovery of the municipality as recommended by the director and
37 approved by the Local Finance Board shall continue to have full
38 force and effect.

39 During the rehabilitation term, the chief operating officer shall
40 be responsible for entering into any memorandum of understanding
41 on behalf of the qualified municipality that is required as a
42 condition of receiving assistance under P.L.1987, c.75 (C.52:27D-
43 118.24 et seq.), or any other law; provided, however, that those
44 memoranda of understanding shall be consistent with the provisions
45 of P.L.2002, c.43 (C.52:27BBB-1 et al.) and P.L.2007, c.176
46 (C.52:27BBB-2.2 et al.), and the powers of the chief operating
47 officer granted pursuant thereto. Any such memoranda of
48 understanding shall be executed between the chief operating officer

1 and the Director of the Division of Local Government Services in
2 the Department of Community Affairs. Whenever the powers and
3 duties of the chief operating officer have devolved upon the director
4 pursuant to subsection b. of section 7 of P.L.2002, c.43
5 (C.52:27BBB-7), the memorandum of understanding shall be
6 executed between the director, on behalf of the qualified
7 municipality, and the State Treasurer, on behalf of the State.
8 (cf: P.L.2007, c.176, s.2)

9
10 3. Section 7 of P.L.2002, c.43 (C.52:27BBB-7) is amended to
11 read as follows:

12 7. a. Upon receiving notification by the Commissioner of
13 Community Affairs pursuant to section 4 of P.L.2002, c.43
14 (C.52:27BBB-4), the Governor shall appoint the chief operating
15 officer in consultation with the mayor and the governing body. The
16 chief operating officer shall serve at the pleasure of the Governor.
17 The chief operating officer shall be qualified by training and
18 experience for the position and shall have at least 10 years of
19 experience in the management or supervision of government
20 activities, three years of which may be substituted by an advanced
21 degree in business, law, or public administration.

22 b. Pending the appointment of a chief operating officer or, in
23 the event of the death, resignation, removal or inability of the chief
24 operating officer to discharge the duties of that office, the functions,
25 powers and duties of the chief operating officer shall devolve upon
26 the director, for the time being, until a chief operating officer is
27 appointed or is able to discharge the duties of that office. In the
28 event that the chief operating officer does not serve out the chief
29 operating officer's term of office for any reason, a successor shall
30 be chosen by the Governor.

31 c. (1) The term of the chief operating officer shall terminate
32 five years following the assumption of duties on the part of the
33 initial chief operating officer first appointed pursuant to P.L.2002,
34 c.43 (C.52:27BBB-1 et al.), or 10 years thereafter, except as
35 provided under paragraph (2) of this subsection, if the fourth-year
36 report required by section 8 of P.L.2002, c.43 (C.52:27BBB-8)
37 recommends an extension of that term, provided that the extension
38 is approved by the Commissioner of Community Affairs. The chief
39 operating officer may be hired as a State employee in the
40 unclassified service of Title 11A, Civil Service, of the New Jersey
41 Statutes or may be hired under contract, as provided hereunder.
42 Notwithstanding any other provision of law, no person so appointed
43 shall acquire tenure.

44 If the chief operating officer is hired under contract, the person
45 hired shall meet the qualifications set forth herein, and it shall be
46 clear from the contract that the position is full-time and that the job
47 site shall be at the principal offices of the municipality. If, for any
48 reason, a person engaged under contract is unable to fulfill the job

1 responsibilities of chief operating officer, the selection process shall
2 be recommenced in accordance with the provisions of this section.

3 If the chief operating officer is hired under contract, the contract
4 shall be available for public inspection in the office of the
5 municipal clerk.

6 (2) An extended term of the office of chief operating officer
7 shall terminate early upon the recommendation of the
8 Commissioner of Community Affairs to end the rehabilitation term
9 for a qualified municipality and to commence the economic
10 recovery term.

11 d. Subject to the approval of the State Treasurer, the salary,
12 benefits and costs of the chief operating officer shall be fixed by the
13 board and adjusted from time to time as the board deems
14 appropriate. The salary level and benefits shall be comparable to
15 that of the director of any public authority or agency with
16 jurisdiction in the qualified municipality. The salary, benefits, and
17 costs of the chief operating officer shall be an expense of the State
18 and paid through the Department of the Treasury.

19 (cf: P.L.2007, c.176, s.3)

20

21 4. Section 8 of P.L.2002, c.43 (C.52:27BBB-8) is amended to
22 read as follows:

23 8. a. At the end of four years following the commencement of
24 duties by the chief operating officer [and at the end of eight years,
25 in the event of an extension of the term of the chief operating
26 officer, as provided in subsection c. of section 7 of P.L.2002, c.43
27 (C.52:27BBB-7) (as amended by section 3 of this bill)], the chief
28 operating officer or his or her successor shall submit a report to the
29 Governor, each member of the State Economic Recovery Board,
30 each member of the Senate and General Assembly, each member of
31 the county board of freeholders in the county in which the qualified
32 municipality is situated, each member of the regional impact
33 council, the mayor, and each member of the governing body of the
34 qualified municipality. The report shall evaluate progress made in
35 rehabilitating the qualified municipality and the status of economic
36 recovery efforts. The report shall include an enumeration of any
37 problems or hurdles encountered in rehabilitation and economic
38 recovery and, where applicable, recommendations for any
39 amendments to State law which would promote and encourage
40 rehabilitation and economic recovery. If the chief operating officer
41 anticipates that the rehabilitation term will be insufficient to achieve
42 rehabilitation goals, the chief operating officer shall include in the
43 report a detailed analysis of the causes for the municipality's
44 inability to reestablish local control and an assessment of the
45 amount of time necessary for the continuation of the period of the
46 rehabilitation term.

47 In addition to the foregoing, the report shall include detailed
48 information as to how those funds appropriated pursuant to

1 P.L.2002, c.43 (C.52:27BBB-1 et al.) are being spent and how those
2 expenditures are serving to promote the economic revitalization of
3 the qualified municipality.

4 b. Within 30 days of receipt of **[each]** the report by members
5 of the Legislature, a hearing shall be held by the Senate Community
6 and Urban Affairs Committee and the Assembly Housing and Local
7 Government Committee, or their successors, to provide an
8 opportunity for public comment and discussion.

9 (cf: P.L.2007, c.176, s.4)

10

11 5. Section 19 of P.L.2002, c.43 (C. 52:27BBB-19) is amended
12 to read as follows:

13 19. Notwithstanding the provisions of any other law, rule or
14 regulation to the contrary, an employee of a qualified municipality
15 who is a member of the Public Employees' Retirement System and
16 is otherwise eligible for retirement may, upon the recommendation
17 of the chief operating officer during the rehabilitation term or the
18 mayor during the economic recovery term, with the approval of the
19 director, receive an incentive payment for the termination of the
20 employee's employment with the municipality.

21 As used in this section, "incentive payment" shall mean a lump
22 sum payment of 20 percent of the employee's annual base salary,
23 exclusive of overtime.

24 An employee shall only be eligible for an incentive payment
25 pursuant to this section if that person applies for this termination
26 benefit within 60 days of the appointment of the chief operating
27 officer during the rehabilitation term, or within the first 60 days of
28 the economic recovery term. Payment shall be made not sooner
29 than upon the receipt of the first pension check by the municipal
30 employee.

31 This election to retire on the part of the municipal employee
32 shall be communicated by the member to the retirement system
33 pursuant to Title 43 of the Revised Statutes; however, once the
34 employee has elected to retire, that decision shall be final.

35 (cf: P.L.2002, c.43, s.19)

36

37 6. Section 23 of P.L.2002, c.43 (C.52:27BBB-23) is amended
38 to read as follows:

39 23. a. **[Within]** (1) (a) During the rehabilitation term, within
40 three business days following each meeting of the governing body,
41 a copy of each ordinance and resolution which has been adopted by
42 the governing body shall be forwarded to the chief operating officer
43 or mayor, as the case may be, who shall have 10 days from the
44 receipt thereof to veto the ordinance or resolution, as the case may
45 be. Any veto action by the chief operating officer or mayor shall be
46 submitted to the governing body within 10 days of the veto. Within
47 five business days thereafter, the governing body may override the

1 veto by a two-thirds vote of the fully authorized membership
2 thereof.

3 (b) If, in the opinion of the chief operating officer, the action is
4 contrary to the rehabilitation of economic recovery goals which
5 justified the rehabilitation declaration, the chief operating officer
6 can submit the action to the special arbitrator, who shall allow the
7 action only upon a finding that the action is consistent with the
8 rehabilitation and economic recovery of the qualified municipality.
9 The decision of the special arbitrator shall not be subject to appeal.

10 (2) During the economic recovery term, in addition to the
11 normal procedures for adopting resolutions and ordinances set forth
12 in the form of government of the qualified municipality, within
13 three business days following each meeting of the governing body,
14 a copy of each ordinance and resolution which has been adopted by
15 the governing body shall be forwarded to the Commissioner of
16 Community Affairs, who shall have 10 days from the receipt
17 thereof to veto the ordinance or resolution, as the case may be. Any
18 veto action by the commissioner shall be submitted to the governing
19 body within 10 days of the veto. Within five business days
20 thereafter, the governing body may override the veto by a two-
21 thirds vote of the fully authorized membership thereof. The action
22 by the commissioner regarding an ordinance pursuant to this
23 paragraph shall supersede any action by the mayor on that same
24 ordinance.

25 b. The chief operating officer shall have full access to all
26 municipal records and to municipal information from all officials
27 and employees of the municipality. If the chief operating officer
28 believes that an official or employee of the municipality is not
29 answering the questions of the chief operating officer accurately or
30 completely or is not furnishing information requested by the chief
31 operating officer, the chief operating officer may notify the official
32 or employee in writing to furnish answers to questions or to furnish
33 documents or records, or both. If the official or employee refuses,
34 the chief operating officer may seek a subpoena in the Superior
35 Court, in a summary manner, to compel testimony and furnish
36 records and documents.

37 (cf: P.L.2002, c.43, s.23)

38

39 7. Section 27 of P.L.2002, c.43 (C.52:27BBB-27) is amended to
40 read as follows:

41 27. a. During the rehabilitation term, the chief operating officer
42 shall not increase the municipal portion of the general tax rate over
43 the rate established for the year during which the rehabilitation took
44 effect. During the economic recovery term, the governing body of
45 the qualified municipality may only increase the municipal
46 '[portion of the general]' tax '[rate in an amount sufficient to
47 replace any reduction in State aid to the qualified municipality]
48 levy by three percent per year, notwithstanding the spending

1 limitations set forth in P.L.1976, c.68 (C.40A:4-45.1 et seq.) and
2 the limitations on increases to the tax levy pursuant to sections 9
3 through 13 of P.L.2007, c.62 (C.40A:4-45.44 through C.40A:4-
4 45.47 and C.40A:4-45.3e), except upon application by the mayor of
5 the qualified municipality to the Local Finance Board for
6 authorization¹.

7 b. The chief operating officer shall, in consultation with the
8 mayor, annually prepare a budget pursuant to the provisions of the
9 "Local Budget Law," N.J.S.40A:4-1 et seq. This budget shall
10 conform in all respects with the requirements of the "Local Budget
11 Law," N.J.S.40A:4-1 et seq. and shall be subject to the limitations
12 on spending by municipalities set forth in P.L.1976, c.68 (C.40A:4-
13 45.1 et seq.). The Local Finance Board may grant exceptions to the
14 spending limitations set forth in P.L.1976, c.68 (C.40A:4-45.1 et
15 seq.) upon application by the chief operating officer, if the Local
16 Finance Board finds such exceptions to be necessary for the
17 rehabilitation of the municipality.

18 c. Upon the preparation of the budget ¹during the rehabilitation
19 term¹, the chief operating officer, in consultation with the mayor,
20 shall fix: a date, place and time for the holding of a public hearing
21 upon the budget; the amounts of money necessary to be
22 appropriated for the use of the municipality for the ensuing year;
23 and the various items and purposes for which the same are to be
24 appropriated. The hearing shall be held in accordance with the
25 provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq.;
26 however, the hearing shall be held at least 28 days after the date on
27 which the budget is advertised. Notice of hearing, contents of the
28 notice and the format and purpose of the hearing shall be as
29 provided in that law. As part of the budget request, the chief
30 operating officer may include provision for anticipation of
31 rehabilitation aid if other revenues are insufficient to meet the
32 revenues needed to offset total appropriations.

33 d. Following the hearing or hearings on the budget ¹pursuant to
34 subsection c. of this section¹, the governing body shall vote upon
35 the proposed budget. Failure to adopt the budget shall be
36 communicated to the chief operating officer along with the reasons
37 for each line item that is rejected. If the chief operating officer does
38 not approve those alternatives proposed by the governing body, any
39 disputed line item shall be considered an impasse and subject to the
40 dispute resolution process set forth in section 5 of P.L.2002, c.43
41 (C.52:27BBB-5).

42 e. If the budget proposed by the chief operating officer includes
43 a provision for rehabilitation aid, the chief operating officer shall
44 apply to the director for approval of the amount and shall supply the
45 director with documentation justifying the need. The director shall
46 then recommend an amount to the State Treasurer. The treasurer,
47 after consideration of the recommendation, shall determine the

1 amount of the rehabilitation aid to be requested. ¹During the first
2 year of the economic recovery term, the rehabilitation aid provided
3 shall be the same amount as the amount given in the last year of the
4 rehabilitation term, and shall be reduced by three percent each year
5 until the end of the economic recovery term.]¹

6 f. During the period that the municipality is under rehabilitation
7 and economic recovery, the commissioner shall ensure that those
8 appropriations in the municipal budget necessary for the
9 improvement of internal audit mechanisms and controls are present
10 on an annual basis.

11 (cf: P.L.2002, c.43, s.27)

12

13 8. Section 36 of P.L.2002, c.43 (C.52:27BBB-36) is amended
14 to read as follows:

15 36. a. In order to facilitate the rehabilitation and economic
16 recovery of each qualified municipality, there is created a
17 subsidiary corporation of the New Jersey Economic Development
18 Authority, which shall be known as the State Economic Recovery
19 Board for (insert name of qualified municipality). The board shall
20 operate for the period during which the municipality is under
21 rehabilitation and economic recovery and for a period of two years
22 thereafter, or until its funds have been disbursed, whichever occurs
23 first. Any outstanding debts or obligations which remain at the
24 termination of board operation shall be assumed by the authority
25 and any accounts payable to the board shall be due and payable to
26 the authority.

27 b. The board shall consist of 15 voting members, as follows:
28 the mayor of the qualified municipality; a representative of the
29 municipal governing body selected by the governing body; the chief
30 operating officer; the State Treasurer; the Commissioner of
31 Community Affairs; the chairperson of the authority; a
32 representative of the regional impact council selected by the
33 council; the director of the board of chosen freeholders of the
34 county in which the qualified municipality is situated, as provided
35 hereunder, all of whom shall serve ex officio and may select a
36 designee to serve in their stead; one public member chosen by the
37 Governor, based on the recommendation of the Senate President
38 and one public member chosen by the Governor, based on the
39 recommendation of the Assembly Speaker; and five public members
40 to be appointed by the Governor, to include one representative of
41 organized labor and one representing the business community. Of
42 the public members appointed by the Governor, at least three shall
43 be municipal residents. The board shall include two nonvoting ex
44 officio legislative members to be chosen by the Governor, one of
45 whom shall be selected based on the recommendation of the Senate
46 President and the other upon the recommendation of the Speaker of
47 the General Assembly. These members shall be advisory members,
48 appointed solely for the purpose of developing and facilitating

1 legislation to assist the board in fulfilling its statutory mission, and
2 may not exercise any of the executive powers delegated to the
3 board. In addition, the Senior Community Builder in the State
4 office of the federal Department of Housing and Urban
5 Development shall serve as an ex officio, non-voting member of the
6 board.

7 A majority of the entire authorized voting membership of the
8 board shall constitute a quorum at any meeting thereof.

9 c. Each public member shall serve for a term of five years.
10 Vacancies in the public membership of the board shall be filled in
11 the same manner as the original appointments are made and a
12 member may be eligible for reappointment. Vacancies occurring
13 other than by expiration of a term shall be filled for the unexpired
14 term. Each ex officio member shall serve for the period during
15 which the municipality is under rehabilitation and economic
16 recovery and for a period of two years thereafter.

17 The Governor shall designate the chairperson of the board.

18 d. The board shall be appointed as expeditiously as possible
19 upon the determination by the commissioner that the municipality
20 fulfills the definition of a qualified municipality pursuant to section
21 4 of P.L.2002, c.43 (C.52:27BBB-4) and shall convene not later
22 than 30 days following that determination for its organizational
23 meeting. Thereafter, the board shall meet regularly and on not less
24 than a quarterly basis. At its first organizational meeting, the board
25 shall appoint one of the public members to serve as its designee on
26 the New Jersey Economic Development Authority pursuant to
27 section 4 of P.L.1974, c.80 as amended by section 69 of P.L.2002,
28 c.43 (C.34:1B-4).

29 e. The voting authority of the director of the county board of
30 chosen freeholders shall not become effective until the filing with
31 the Secretary of State of an agreement entered into by the chief
32 operating officer, acting on behalf of the municipality, and the
33 county, detailing the financial commitment of the county to the
34 redevelopment of the infrastructure of the municipality which shall
35 include improvements or other economic benefits totalling not less
36 than \$20 million and a proposed construction schedule for the
37 completion thereof.

38 (cf: P.L.2002, c.108, s.7)

39

40 9. Section 44 of P.L.2002, c.43 (C.52:27BBB-43) is amended
41 to read as follows:

42 44. The governing body of each qualified municipality shall
43 convey to the board, for the period of rehabilitation [and economic
44 recovery], its right, title and interest in any real property, acquired
45 through the purchase of any tax sale certificate covering that real
46 property whose rights of redemption have been foreclosed under the
47 In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-104.29

1 et seq.), so long as the liens have previously been offered by the
2 municipality at a public tax lien sale.

3 (cf: P.L.2002, c.43, s.44)

4

5 10. Section 62 of P.L.2002, c.43 (C.52:27BBB-60) is amended
6 to read as follows:

7 62. During the rehabilitation **[term]** and economic recovery
8 terms, the qualified municipality may enter into arrangements with
9 other municipalities, counties, local public authorities, or the State,
10 for the purpose of affording the municipality those benefits which
11 may accrue pursuant to any laws providing for contracted provision
12 of goods or services. Notwithstanding any other provision of law to
13 the contrary all State agencies are authorized to enter into such
14 agreements or arrangements with the qualified municipality during
15 the rehabilitation **[term]** and economic recovery terms as are
16 necessary or useful in furthering the purposes of P.L.2002, c.43
17 (C.52:27BBB-1 et al.).

18 (cf: P.L.2002, c.43, s.62)

19

20 11. Section 63 of P.L.2002, c.43 (C.52:27BBB-61) is amended
21 to read as follows:

22 63. a. All contracts and agreements entered into by the qualified
23 municipality during the rehabilitation term pursuant to P.L.2002,
24 c.43 (C.52:27BBB-1 et al.) shall contain provisions stating that the
25 director or chief operating officer may, upon 30 days' notice,
26 terminate the contract or agreement for any reason without payment
27 of penalty or damages. This **[section]** subsection shall not apply to
28 collective bargaining agreements.

29 b. All contracts and agreements entered into by the qualified
30 municipality during the rehabilitation term pursuant to P.L.2002,
31 c.43 (C.52:27BBB-1 et al.) may be terminated by the mayor, upon
32 30 days' notice, for any reason, without payment of penalty or
33 damages, during the economic recovery term. This subsection shall
34 not apply to collective bargaining agreements.

35 (cf: P.L.2002, c.43, s.63)

36

37 12. (New section) a. Notwithstanding the provisions of section
38 67 of P.L.2002, c.43 (C.52:27BBB-63) or any other section of law
39 to the contrary, upon the commencement of the economic recovery
40 term in a qualified municipality pursuant to the provisions of
41 section 6 of P.L.2002, c.43 (C.52:27BBB-6), a school district which
42 is contiguous with that qualified municipality shall become or
43 remain, as applicable, a Type I school district and, except at
44 otherwise provided pursuant to subsection b. of this section, shall be
45 governed by the provisions of Title 18A of the New Jersey Statutes
46 relating to Type I districts.

47 b. The terms of the appointed members of the board of
48 education in office at the time of the commencement of the

1 economic recovery term shall continue to, and cease upon, the
2 appointment of members to the Type I school district board of
3 education by the mayor or other chief executive officer of the
4 qualified municipality. The terms of the newly-appointed members
5 shall be staggered. Any elected members of the board of education
6 in office at the time of the commencement of the economic
7 recovery term shall continue in office until the expiration of their
8 respective terms and the qualification of their respective successors
9 following appointment to the Type I school district board of
10 education by the mayor or other chief elected officer of the
11 qualified municipality.

12 c. At the April school election in the fourth school year
13 following the commencement of the economic recovery term in a
14 qualified municipality, the board of education of the district shall
15 place the question of the classification status of the district as a
16 Type I or Type II district before the voters, which election shall be
17 conducted in accordance with the provisions of Title 19 of the
18 Revised Statutes concerning school elections.

19 If the voters of the district elect to become a Type II district, it
20 shall be governed by the provisions of Title 18A of the New Jersey
21 Statutes relating to Type II districts and the members of the board
22 of education at the time of the election shall remain and continue in
23 office until the expiration of their respective terms and the
24 qualification of their respective successors.

25 If the voters of the district elect to remain a Type I district, it
26 shall be governed in accordance with the provisions of Title 18A of
27 the New Jersey Statutes relating to Type I districts.

28 d. The provisions of section 68 of P.L.2002, c.43
29 (C.52:27BBB-64) shall not be applicable to a school district subject
30 to this section.

31

32 13. This act shall take effect immediately.