

[Second Reprint]

SENATE, No. 2794

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED MARCH 21, 2011

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

Senator KEVIN J. O'TOOLE

District 40 (Bergen, Essex and Passaic)

SYNOPSIS

Encourages local unit sharing of services; makes appropriations.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on December 8, 2011, with amendments.



(Sponsorship Updated As Of: 12/9/2011)

1 AN ACT promoting the more effective operation of local
2 government and the sharing of services among local units,
3 amending and supplementing P.L.2007, c.63, amending
4 P.L.2007, c.54, ²repealing various statutes,² and making
5 appropriations.

6
7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:

9
10 ²1. Section 2 of P.L.2007, c.63 (C.40A:65-2) is amended to read
11 as follows:

12 2. The Legislature finds and declares:

13 a. Historically, many specialized statutes have been enacted to
14 permit shared services between local units for particular purposes.

15 b. (1) Other laws, permitting a variety of shared services,
16 including interlocal services agreements, joint meetings, and
17 consolidated and regional services, exist but have not been very
18 effective in promoting the broad use of shared services as a
19 technique to reduce local expenses funded by property taxpayers.

20 (2) Experience with the old laws and experience with the
21 "Uniform Shared Services and Consolidation Act," sections 1
22 through 35 of P.L.2007, c.63 (C.40A:65-1 et seq.), has made it clear
23 that shared services, joint meetings, and consolidation cannot be
24 effective and viable options when the local units are tied to Civil
25 Service rules and tenure provisions limiting their economic
26 feasibility.

27 (3) The goal of improving the provision of local and regional
28 services through a shared services agreement, joint meeting
29 contract, or consolidation, is the primary goal of the State of New
30 Jersey and Civil Service protections and tenure protections must be
31 secondary to, and complementary with, that goal.

32 c. It is appropriate for the Legislature to enact a new shared
33 services statute that supersedes existing Civil Service and tenure
34 provisions so that it can be used to effectuate agreements between
35 local units for any service or circumstance intended to reduce
36 property taxes through the reduction of local expenses.²

37 (cf: P.L.2007, c.63, s.2)

38

39 ²[1.] 2.² Section 11 of P.L.2007, c.63 (C.40A:65-11), is
40 amended to read as follows:

41 11. a. When a local unit contracts, through a shared service or
42 joint meeting, to have another local unit or a joint meeting provide a
43 service it is currently providing using public employees and one or

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:

¹Senate SCU committee amendments adopted June 13, 2011.

²Senate SBA committee amendments adopted December 8, 2011.

1 more of the local units have adopted Title 11A, Civil Service, then
2 the agreement shall include an employment reconciliation plan in
3 accordance with this section that [and, if one or more of the local
4 units have adopted Title 11A, Civil Service,] shall specifically set
5 forth the intended jurisdiction of the Civil Service Commission. An
6 employment reconciliation plan shall be subject to the following
7 provisions:

8 (1) a determination of those employees, if any, that shall be
9 transferred to the providing local unit, retained by the recipient
10 local unit, or terminated from employment for reasons of economy
11 or efficiency, subject to the provisions of any existing collective
12 bargaining agreements within the local units.

13 (2) [any employee terminated for reasons of economy or
14 efficiency by the local unit providing the service under the shared
15 service agreement shall be given a terminal leave payment of not
16 less than a period of one month for each five-year period of past
17 service as an employee with the local unit, or other enhanced
18 benefits that may be provided or negotiated. For the purposes of
19 this paragraph, "terminal leave payment" means a single, lump sum
20 payment, paid at termination, calculated using the regular base
21 salary at the time of termination. Unless otherwise negotiated or
22 provided by the employer, a terminal leave benefit shall not include
23 extended payment, or payment for retroactive salary increases,
24 bonuses, overtime, longevity, sick leave, accrued vacation or other
25 time benefit, or any other benefit.] (Deleted by amendment,
26 P.L. , c.) (pending before the Legislature as this bill).

27 (3) the Civil Service Commission shall place any employee that
28 has permanent status pursuant to Title 11A, Civil Service, of the
29 New Jersey Statutes that is terminated for reasons of economy or
30 efficiency at any time by either local unit on a special
31 reemployment list for any civil service employer within the county
32 of the agreement or any political subdivision therein, except that an
33 employee who has turned down a reemployment opportunity in a
34 position that is one with the same or substantially similar job duties
35 as, the same title and series as, the same or substantially similar
36 hours of work as, and a location within a twenty-five mile radius of,
37 the position from which the employee was terminated, shall not be
38 included on a special reemployment list.

39 (4) [when a proposed shared service agreement affects
40 employees in local units subject to Title 11A, Civil Service, of the
41 New Jersey Statutes, an employment reconciliation plan shall be
42 filed with the Civil Service Commission prior to the approval of the
43 shared service agreement. The commission shall review it for
44 consistency with this section within 45 days of receipt and it shall
45 be deemed approved, subject to approval of the shared service
46 agreement by the end of that time, unless the commission has
47 responded with a denial or conditions that must be met in order for

1 it to be approved.】 (Deleted by amendment, P.L. , c.) (pending
2 before the Legislature as this bill).

3 (5) when an action is required of the Civil Service Commission
4 by this section, parties to a planned shared service agreement may
5 consult with that commission in advance of the action and the
6 commission shall provide such technical support as may be
7 necessary to assist in the preparation of an employment
8 reconciliation plan or any other action required of the commission
9 by this section.

10 b. 【If all the local units that are parties to the agreement are
11 subject to the provisions of Title 11A, Civil Service, of the New
12 Jersey Statutes, the Civil Service Commission shall create an
13 implementation plan for the agreement that will: (1) transfer
14 employees with current status in current title unless reclassified, or
15 (2) reclassify employees into job titles that best reflect the work to
16 be performed. The Civil Service Commission shall review whether
17 any existing hiring or promotional lists should be merged,
18 inactivated, or re-announced. Non-transferred employees shall be
19 removed or suspended only for good cause and after the opportunity
20 for a hearing before the Civil Service Commission; provided,
21 however, that they may be laid-off in accordance with the
22 provisions of N.J.S.11A:8-1 et seq., and the regulations
23 promulgated thereunder.】 The final decision of which employees
24 shall transfer to the new employer is vested solely with the local
25 unit that will provide the service and subject to the provisions of
26 any existing collective bargaining agreements within the local units.

27 c. 【If the local unit that will provide the service pursuant to a
28 shared service agreement is subject to Title 11A, Civil Service, of
29 the New Jersey Statutes, but the local unit to receive the service is
30 not subject to that Title, and the contracting local units desire that
31 some or all employees of the recipient local unit are to be
32 transferred to the providing local unit, the Civil Service
33 Commission shall vest only those employees who have been
34 employed for one year or more in permanent status pursuant to
35 N.J.S.11A:9-9 in appropriate titles, seniority, and tenure with the
36 providing local unit based on the duties of the position. The final
37 decision of which employees shall transfer to the new employer is
38 vested solely with the local unit that will provide the service and
39 subject to the provisions of any existing collective bargaining
40 agreements within the local units】. Once transferred, employees
41 shall be subject to all applicable collective bargaining agreements,
42 employment contracts, and personnel policies that exist for the local
43 unit that will provide the service.

44 d. 【If the local unit that will provide the service is not subject
45 to the provisions of Title 11A, Civil Service, of the New Jersey
46 Statutes, but the local unit that will receive the service is subject to
47 that Title and the parties desire that some or all employees of the

1 recipient local unit are to be transferred to the providing local unit,
 2 the transferred employees shall be granted tenure in office and shall
 3 only be removed or suspended for good cause and after a hearing;
 4 provided, however, that they may be laid-off in accordance with the
 5 provisions of N.J.S.11A:8-1 et seq., and the regulations
 6 promulgated thereunder]. A permanent employee who is laid off
 7 for reasons of economy due to the joint meeting or shared service
 8 agreement shall be given notice at least 45 days prior to the layoff,
 9 and shall have a right to appeal the good faith of such layoff to the
 10 Civil Service Commission. Appeals must be filed within 20 days of
 11 final notice of such layoff. The transferred employees shall be
 12 subject to layoff procedures prior to the transfer to the new entity.
 13 Once transferred, they will be subject to any employment contracts
 14 and provisions that exist for the new entity. The final decision of
 15 which employees shall transfer to the new employer is vested solely
 16 with the local unit that will provide the service and subject to the
 17 provisions of any existing collective bargaining agreements within
 18 the local units.

19 (cf: P.L.2008, c.29, s.101)

20

21 ²[2.] ³ Section 19 of P.L.2007, c.63 (C.40A:65-19) is
 22 amended to read as follows:

23 19. a. When a local unit agrees to participate in a joint meeting
 24 that will provide a service that the local unit is currently providing
 25 itself through public employees, the agreement shall include an
 26 employment reconciliation plan in accordance with this section. An
 27 employment reconciliation plan shall be subject to the following
 28 provisions:

29 (1) a determination of those employees, if any, that shall be
 30 transferred to the joint meeting, retained by the contracting local
 31 unit, or terminated from employment for reasons of economy or
 32 efficiency subject to the provisions of any collective bargaining
 33 agreements within the local units.

34 (2) [any employee terminated for reasons of economy or
 35 efficiency by the contracting local unit providing the service or by
 36 the joint meeting shall be given a terminal leave payment of not less
 37 than a period of one month for each five-year period of past service
 38 as an employee with the local unit, or other enhanced benefits that
 39 may be provided or negotiated. Unless otherwise negotiated or
 40 provided by the employer, a terminal leave benefit shall not include
 41 extended payment, or payment for retroactive salary increases,
 42 bonuses, overtime, longevity, sick leave, accrued vacation or other
 43 time benefit, or any other benefit.] (Deleted by amendment, P.L. __,
 44 c.) (pending before the Legislature as this bill).

45 (3) the Civil Service Commission shall place any employee that
 46 has permanent status pursuant to Title 11A, Civil Service, of the
 47 New Jersey Statutes that is terminated for reasons of economy or
 48 efficiency at any time by either local unit on a special

1 reemployment list for any civil service employer within the county
2 of the agreement or any political subdivision therein, except that an
3 employee who has turned down a reemployment opportunity in a
4 position that is one with the same or substantially similar job duties
5 as, the same title and series as, the same or substantially similar
6 hours of work as, and a location within a twenty-five mile radius of,
7 the position from which the employee was terminated, shall not be
8 included on a special reemployment list.

9 (4) **【**when a proposed joint contract affects employees in local
10 units that operate under the provisions of Title 11A, Civil Service,
11 of the New Jersey Statutes, an employment reconciliation plan shall
12 be filed with the Civil Service Commission prior to the approval of
13 the joint meeting agreement. That commission shall review the
14 plan for consistency with this section within 45 days of receipt and
15 it shall be deemed approved, subject to approval of the joint
16 meeting agreement by the end of that time, unless that commission
17 has responded with a denial or conditions that must be met in order
18 for it to be approved. **】** (Deleted by amendment, P.L. , c.) (pending
19 before the Legislature as this bill).

20 (5) when an action is required of the Civil Service Commission
21 by this section, parties to a proposed joint contract may consult with
22 the commission in advance of the action and the commission shall
23 provide such technical support as may be necessary to assist in the
24 preparation of an employment reconciliation plan or any other
25 action required of the commission by this section.

26 b. **【**If both the local unit and joint meeting operate under the
27 provisions of Title 11A, Civil Service, of the New Jersey Statutes,
28 the Civil Service Commission shall create an implementation plan
29 for employees to be hired by the joint meeting that will: (1) transfer
30 employees with current status in current title unless reclassified or
31 (2) reclassify employees, if necessary, into job titles that best reflect
32 the work to be performed. The Civil Service Commission shall
33 review whether any existing hiring or promotional lists should be
34 merged, inactivated, or re-announced. Non-transferred employees
35 shall be removed or suspended only for good cause and after the
36 opportunity for a hearing before the Civil Service Commission;
37 provided, however, that they may be laid-off in accordance with the
38 provisions of N.J.S.11A:8-1 et seq., and the regulations
39 promulgated thereunder. **】** The final decision of which employees
40 shall transfer to the new employer is vested solely with the local
41 unit that will provide the service and subject to the provisions of
42 any existing collective bargaining agreements within the local units.

43 c. **【**If the joint meeting operates under the provisions of Title
44 11A, Civil Service, of the New Jersey Statutes, and a local unit
45 receiving the service is not subject to that Title, and the parties
46 desire that some or all employees of the local unit be transferred to
47 the joint meeting, the Civil Service Commission shall vest only

1 those employees who have been employed one year or more in
2 permanent status pursuant to N.J.S.40A:9-9 in appropriate titles,
3 seniority, and tenure with the providing local unit based on the
4 duties of the position. The final decision of which employees shall
5 transfer to the new employer is vested solely with the joint meeting
6 and subject to the agreements affecting the parties, provided that
7 those agreements do not conflict with the provisions of any existing
8 collective bargaining agreements within the local units.】 Once
9 transferred, employees shall be subject to all applicable collective
10 bargaining agreements, employment contracts, and personnel
11 policies that exist for the joint meeting.

12 d. 【(1) If the joint meeting does not operate under the
13 provisions of Title 11A, Civil Service, of the New Jersey Statutes,
14 and the local unit receiving the service is subject to that Title, and
15 the parties desire that some or all employees of the recipient local
16 unit are to be transferred to the joint meeting, then the transferred
17 employees shall be granted tenure in office and shall be removed or
18 suspended only for good cause and after a hearing.】 The
19 transferred employees shall be subject to layoff procedures prior to
20 the transfer to the new entity. Once transferred, they will be subject
21 to any applicable collective bargaining agreements, employment
22 contracts, and 【provisions】 personnel policies that exist for the new
23 entity. The final decision of which employees shall transfer to the
24 joint meeting is vested solely with the joint meeting 【and subject to
25 the provisions of any existing collective bargaining agreements
26 within the local units】.

27 【(2) A joint meeting established after the effective date of
28 sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) that affects
29 both employees in local units subject to Title 11A, Civil Service, of
30 the New Jersey Statutes and employees in local units not subject to
31 that Title, shall determine whether the employees of the joint
32 meeting shall be subject to the Title. If the joint meeting
33 determines that the employees shall not be subject to Title 11A,
34 Civil Service, of the New Jersey Statutes, then the employees from
35 the local units in which the Title is in effect shall have the same
36 rights as employees transferred pursuant to paragraph (1) of this
37 subsection.】

38 (cf: P.L.2008, c.29, s.102)

39

40 ²【3.】²4.² (New section) ²a. ²(1)² Notwithstanding any law,
41 rule, or regulation to the contrary, the ²seniority, selection,
42 appointment, layoff, and bumping² provisions of Title 11A, Civil
43 Service, shall not apply to an employee affected by a shared service
44 agreement or joint meeting ², regardless of whether the shared
45 service agreement or joint meeting was entered into voluntarily or
46 recommended by the Local Unit Alignment, Reorganization, and
47 Consolidation Commission, or² entered into, renewed or extended

1 pursuant to P.L.2007, c.63 (C.40A:65-1 et seq.) or any other law
2 providing for the sharing of services after the effective date of this
3 act ²; except that when provisions of Title 11A, Civil Service, have
4 been suspended with regard to employees affected by a shared
5 services agreement or joint meeting and Title 11A, Civil Service is
6 to be applicable to the new entity providing the service, the
7 provisions shall cease to be suspended with regard to those
8 employees on the first day of the thirteenth month next following
9 the commencement of implementation of the shared services
10 agreement or joint meeting. If the shared service agreement or joint
11 meeting requires more time to fully implement, then the local units
12 may apply to the Civil Service Commission for an extension of the
13 suspension period with regard to the affected employees, in
14 accordance with procedures promulgated by the Civil Service
15 Commission. Upon the reinstatement of applicability of all of the
16 provisions of Title 11A, Civil Service, of the New Jersey Statutes
17 the affected employees shall be credited with the time employed
18 during the suspension period.

19 (2) If the shared service agreement or joint meeting requires the
20 temporary suspension of additional provisions of Title 11A, Civil
21 Service, of the New Jersey Statutes that are not already identified in
22 this subsection, then the parties to the shared service agreement or
23 joint meeting may petition the Chair of the Civil Service
24 Commission to grant the temporary suspension of one or more such
25 additional provisions. The Chair shall approve a petition requesting
26 a suspension of additional provisions only upon the parties'
27 demonstration, by clear and convincing evidence, that the shared
28 service agreement or joint meeting cannot be effectuated without
29 the suspension of such additional provisions.

30 b. During the period of suspension of Civil Service provisions
31 pursuant to subsection a. of this section, the shared service or joint
32 meeting agreement shall provide certain baseline protections for
33 employees, including antidiscrimination policies and processes for
34 appointment and promotion. The Division of Local Government
35 Services in the Department of Community Affairs shall review
36 these provisions for sufficiency prior to the execution of the
37 agreement. This requirement for baseline protections also may be
38 satisfied through existing employment manuals and personnel
39 policies of the service provider.

40 c. Shared services agreements, joint meetings, and
41 consolidations may permit the reassignment of job duties and
42 responsibilities of transferred employees, however, nothing in this
43 section shall authorize the creation of new Civil Service job titles or
44 classifications by local units.

45 d. The Civil Service Commission may promulgate rules and
46 regulations pursuant to the "Administrative Procedure Act," P.L.
47 1968, c.410 (C. 52:14B-1 et seq.) in order to effectuate the purposes
48 of this section².

1 ²[4.] 5.² Section 5 of P.L.2007, c.54 (C.52:27D-505) is
2 amended to read as follows:

3 5. a. (1) The commission shall study and report on the
4 structure and functions of county and municipal government,
5 including local taxing districts, their statutory bases, including the
6 fiscal relationship between local governments, and the appropriate
7 allocation of service delivery responsibilities from the standpoint of
8 efficiency. The study of the transfer of the municipal tax
9 assessment function to the county through the appointment of a
10 county assessor and deputy county assessors in a pilot county
11 pursuant to the "Property Assessment Reform Act," sections 1
12 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.), shall be
13 conducted in consultation with the Director of the Division of
14 Taxation in the Department of the Treasury.

15 (2) The commission shall recommend legislative changes which
16 would encourage the more efficient operation of local government.
17 These changes may include the structural and administrative
18 streamlining of county and municipal government functions,
19 including but not limited to, the transfer of functions from one level
20 of government to another, and the use or establishment of regional
21 service delivery entities.

22 (3) The commission shall also consider optimal service levels,
23 ratios of employees to population served, cost structures for service
24 delivery, and other best practices.

25 Within two years following the effective date of P.L.2007, c.54
26 (C.52:27D-501 et al.), the commission shall report its findings to
27 the Governor, the President of the Senate, and the Speaker of the
28 General Assembly; provided, however, that findings concerning the
29 transfer of the municipal tax assessment function to the county
30 through the appointment of a county assessor and deputy county
31 assessors shall be reported on or before February 1 of the sixth year
32 next following the effective date of P.L.2009, c.118 (C.54:1-86 et
33 al.).

34 b. Based on its findings pursuant to paragraph (3) of subsection
35 a. of this section, the commission shall develop criteria to serve as
36 the basis; for recommending the consolidation of specific
37 municipalities **[,]** and the merger of specific existing autonomous
38 agencies into the parent municipal or county government, **[or]** and
39 for ¹**[the]** ¹recommending ¹**[or ordering]** ¹the sharing of services
40 between municipalities or between municipalities and other public
41 entities, including but not limited to counties, fire districts, school
42 districts, and regional school districts. **[Recommendations for**
43 **sharing services may result from a study focusing exclusively on**
44 **the sharing of services or may result from a study examining**
45 **potential consolidation. Municipalities to be considered for**
46 **consolidation shall be within the same county and shall also be**
47 **situated within the same legislative district.]**

1 The criteria to govern a study to examine consolidation or the
2 sharing of services shall include, but need not be limited to:

3 (1) a consideration of geographic factors, such as a shared
4 boundary, or in the case of the recommended consolidation of more
5 than two local units, that the consolidated local unit will have a
6 contiguous boundary;

7 (2) an analysis of the economic costs and benefits of
8 consolidation or the sharing of services, as the case may be,
9 including potential tax savings and reductions in government costs
10 through economies of scale;

11 (3) measures to ensure that costs and benefits of consolidation
12 or service sharing are distributed equitably across the entire
13 community; and

14 (4) measures to safeguard the interests of communities in the
15 municipalities for which consolidation ²or sharing of services² is
16 recommended¹, including the impact of a recommended
17 consolidation or sharing of services on the ability of the public
18 entity to comply with applicable State and federal laws and
19 regulations and on the overall quality and efficient delivery of those
20 services¹.

21 **【The commission shall give priority to local units that volunteer**
22 **to be studied.】**

23 c. (1) (a) ²(i)² Based upon criteria developed pursuant to
24 subsection b. of this section, the commission shall undertake studies
25 to examine the ²【consolidation of specific municipalities, the
26 merger of specific existing autonomous agencies into the parent
27 municipal or county government, and the】² sharing of services
28 between specific municipalities or between municipalities and other
29 public entities. ²The commission also may undertake studies to
30 examine the consolidation potential for specific municipalities, but
31 such studies or recommendations shall not be subject to potential
32 reductions in State aid pursuant to subsection f. of section 8 of
33 P.L.2007, c.54 (C.52:27D-508).²

34 ²(ii) In undertaking its studies the commission shall conduct at
35 least two on-site consultation sessions with the governing bodies
36 and affected officials of each municipality and other public entities
37 under consideration for consolidation or the sharing of services.²

38 (b) A local unit may request the commission to undertake a
39 study to examine the local unit's potential for consolidation or the
40 sharing of services. A county may request the commission to
41 undertake a study to examine the county's potential for providing
42 specific shared services to constituent municipalities. When
43 prioritizing studies to undertake, the commission shall give first
44 priority to local units and counties submitting requests pursuant to
45 this subparagraph.

46 (c) ²The results of any economic analysis performed by or on
47 behalf of the commission shall be submitted to the State Treasurer

1 for a review of the accuracy of the analysis prior to releasing a
2 recommendation pursuant to this subparagraph. At the same time,
3 the results of the economic analysis shall be submitted to the
4 affected municipalities and other public entities. The State
5 Treasurer shall, within 90 days of receipt, either certify the
6 recommendation, or prepare a memo of objections for the
7 commission. The commission shall work with the State Treasurer
8 in satisfying the objections prior to resubmitting a recommendation
9 for review and certification.² In accordance with the results of its
10 studies, the commission may recommend the consolidation ²[or
11 merger]² of specific municipalities, or ²[of parent municipalities
12 and other public entities, and may recommend]² ¹[or order]¹ the
13 sharing of services between specific municipalities or between
14 municipalities and other public entities. ²[The commission shall
15 not undertake studies to examine the consolidation of municipalities
16 unless they are situated within the same county.]²

17 (d) The commission shall provide written notice ²[of a
18 recommendation ¹[or order]¹ made pursuant to this subsection]² to
19 the governing body of each local unit that is the subject of the
20 recommendation ²of the State Treasurer's certification or objections
21 to the economic analysis² ¹[or order]¹, together with
22 documentation supporting the commission's recommendation ²and
23 notice stating that the governing bodies have 14 months to
24 implement a certified recommendation for a shared service or that
25 they need not take any action with respect to a recommendation for
26 a shared service that was not certified² ¹[or order]¹. A local unit
27 may contest the total net savings estimate contained in the
28 commission's proposal ¹[or order]¹ by appeal to the Commissioner
29 of Community Affairs within 30 days of receipt of the
30 recommendation ²[or order]². The commissioner shall have 15
31 business days to review the analysis and the challenge in order to
32 determine whether the analysis should be adjusted. The
33 commissioner may extend the review time for the appeal if the
34 commissioner deems a hearing is necessary. The commission shall
35 not submit a ²[consolidation proposal¹[,] or¹]² shared services
36 proposal ¹[, or proposed shared services order]¹ to the Governor
37 and the Legislature pursuant to section 7 of P.L.2007, c.54
38 (C.52:27D-507 until the commissioner has rendered a
39 determination.

40 (e) Notwithstanding any law, rule, or regulation to the contrary,
41 the provisions of ²[Title 11A, Civil Service, shall not] section 4 of
42 P.L. , c. (C.) (pending before the Legislature as this bill)
43 shall² apply to an employee affected by a shared services agreement
44 ¹[ordered or]¹ recommended pursuant to this subsection or agreed
45 to under any other law providing for the sharing of services.

1 (2) When a municipal consolidation is recommended by the
2 commission, the commission shall substitute for a joint municipal
3 consolidation study commission that would be formed pursuant to
4 section 7 of the "Municipal Consolidation Act," P.L.1977, c.435
5 (C.40:43-66.41) or any other statute governing municipal
6 consolidation, and no voter approval shall be required to create the
7 study commission. The commission shall be present at one or more
8 of the public hearings required pursuant to subsection d. of section
9 25 of P.L.2007, c.63 (C.40A:65-25).

10 (3) When a sharing of services is recommended '[or ordered]'
11 by the commission, the commission shall hold at least two public
12 hearings, in places that are easily accessible to the residents of both
13 or all of the municipalities, prior to submitting a shared services
14 proposal '[or proposed shared services order]' to the Governor and
15 the Legislature pursuant to section 7 of P.L.2007, c.54 (C.52:27D-
16 507).

17 d. When a consolidation or shared service is recommended
18 '[or ordered]' by the commission, the commission shall
19 recommend State funding for any extraordinary expenses
20 necessitated by the consolidation plan or shared service agreement.
21 The commission shall recommend that this funding be provided
22 either by funds made available to the commission for that purpose
23 or by the Legislature or State Treasurer as part of the annual State
24 budget process.

25 (cf: P.L.2009, c.118, s.16)

26

27 ²[5.] 6.² Section 6 of P.L.2007, c.54 (C.52:27D-506) is
28 amended to read as follows:

29 6. a. The "Local Unit Alignment, Reorganization, and
30 Consolidation Commission" shall work in conjunction with the
31 Local Finance Board and the Division of Local Government
32 Services in the Department of Community Affairs. [To the extent
33 possible, the] The commission may request specific resources from
34 the department. The department shall provide the commission with
35 all resources requested by the commission that the commission
36 determines are necessary for it to operate and satisfy its statutory
37 duties, including but not limited to the provision of offices,
38 equipment, materials, and administrative, technical, and legal
39 personnel. The commission may also request, and shall be entitled
40 to, the assistance and services of the employees of any State
41 department, board, bureau, commission, or agency, as it may
42 require and as may be available to it for its purposes.

43 b. The commission may request, and shall be entitled to, the
44 cooperation of the officials and employees of every county and
45 municipality, as it may require, however, the commission may not
46 request or require a county or municipality to undertake a study to
47 examine consolidation or the sharing of service.

1 c. The commission may incur traveling and other
2 miscellaneous expenses necessary to perform its duties, within the
3 limits of funds available to it for its purposes.

4 d. The commission may contract for the services of
5 professional, technical, and operational personnel and consultants
6 as it may determine are necessary to perform its duties, within the
7 limits of funds available to it for its purposes.

8 (cf: P.L.2007, c.54, s.6)

9
10 ²[6.] 7.² Section 7 of P.L.2007, c.54 (C.52:27D-507) is
11 amended to read as follows:

12 7. a. The "Local Unit Alignment, Reorganization, and
13 Consolidation Commission" shall annually, by January 31st, submit
14 to the Governor and the Legislature a report summarizing the
15 commission's activities over the course of the previous calendar
16 year.

17 b. (1) In the event that the commission proposes consolidation
18 of local units **[or a shared services agreement]**, the commission
19 shall submit a ²copy of the² consolidation **[or shared services]**
20 proposal to the Governor and the Legislature ²**[no later than May**
21 **1st of the year in which the proposed consolidation is to be put**
22 **before the voters pursuant to subsection a. of section 8 of P.L.2007,**
23 **c.54 (C.52:27D-508)]** for information purposes only². A municipal
24 consolidation proposal shall include, but not be limited to, a
25 description of the form of government, the election of officers, the
26 apportionment of debts, and other issues between pairs or groups of
27 municipalities which the commission proposes should consolidate
28 or share services.

29 (2) ²**[In the event that the commission proposes a specific**
30 **sharing of services, the commission shall submit a proposed shared**
31 **services agreement** ¹**[or proposed shared services order]**¹ to the
32 Governor and the Legislature for review and consideration of the
33 adoption of a concurrent resolution pursuant to subsection c. of this
34 section.

35 (3)² The commission shall include in every consolidation
36 proposal ¹**[.]** or ¹ shared services proposal ¹**[, and proposed shared**
37 **services order]**¹ an estimate of the total net savings that will result
38 from implementation of the proposed consolidation or sharing of
39 services ², which shall be prepared in consultation with the affected
40 municipalities pursuant to subsection c. of section 5 of P.L.2007,
41 c.54 (C.52:27D-505)².

42 c. A ²**[consolidation [or] proposal** ¹**[.]** or ¹**]**² shared services
43 proposal¹**[, or proposed shared services order]**¹ shall take effect at
44 the end of a period of 30 calendar days after the date on which the
45 proposal is transmitted to the Senate and General Assembly, on a
46 day on which both thereof shall be meeting in the course of a
47 regular or special session, unless, between the date of transmittal

1 and the end of the 30-day period, the Legislature passes a
 2 concurrent resolution stating in substance that the Legislature does
 3 not favor the [consolidation] proposal.

4 (cf: P.L.2007, c.54, s.7)

5

6 ²[7.] 8.² Section 8 of P.L.2007, c.54 (C.52:27D-508) is
 7 amended to read as follows:

8 8. a. Upon the taking effect of a ²[consolidation or]² shared
 9 services proposal pursuant to subsection [b.] c. of section 7 of
 10 P.L.2007, c.54 (C.52:27D-507), ¹[each recommendation included
 11 therein] the proposal¹ shall be put before the affected voters at the
 12 next general election [and] . The proposal shall become effective
 13 only upon its adoption by a majority of the voters of each affected
 14 municipality.

15 b. In order to effectuate the provisions of subsection a. of this
 16 section, the Secretary of State shall forward to the clerk of each
 17 county in which the affected local units are located a public
 18 question to be included on the ballots at the next general election
 19 for the election districts encompassing those affected local units.

20 (1) ²[The] No² question with respect to ²a² consolidation
 21 ²recommended or proposed by the commission² shall ²[read as
 22 follows:

23 "Shall (insert the names of the participating local units) be
 24 consolidated into a single local unit to be known as (insert the name
 25 proposed for the consolidated local unit)? The State, after careful
 26 study, proposes this "consolidation" and estimates that it can save
 27 \$ (insert estimate of savings included in the proposal pursuant to
 28 subsection b. of section 7 of P.L.2007, c.54 (C.52:27D-507))."] be
 29 submitted to the voters of a local unit.²

30 (2) The question with respect to ¹a¹ shared services ¹proposal¹
 31 shall read as follows:

32 "Shall (insert the services to be shared) be jointly undertaken
 33 between (insert the names of the entities between which sharing is
 34 to occur)? The State, after careful study, proposes this "sharing of
 35 services" and estimates that it can save \$ (insert estimate of savings
 36 included in the proposal pursuant to subsection b. of section 7 of
 37 P.L.2007, c.54 (C.52:27D-507)). If ²[you] a majority of the
 38 voters² vote "No", the State may reduce "State Aid" to your
 39 municipality by that amount each year."

40 c. ¹[(1)]¹ ²[The consolidation of pairs or groups of local units
 41 recommended for]² An approved ²[consolidation [under
 42 subsection a. of this section] proposal or]² shared services proposal
 43 shall be [accomplished] implemented within 14 months following
 44 [the] voter approval of the [consolidation recommendation]
 45 proposal.

1 '[(2) A shared services order that has taken effect pursuant to
2 subsection c. of section 7 of P.L.2007, c.54 (C.52:27D-507), shall
3 be implemented by each municipality and other public entity
4 identified therein within 14 months following the date that the
5 shared services order took effect.]'

6 d. The adoption of a form of government, the election of
7 officers, the apportionment of debts, and other issues between pairs
8 or groups of municipalities ²[required] that choose² to consolidate
9 pursuant to ²[an approved] a² consolidation [recommendation]
10 proposal ²[under subsection c. of this section]² shall be determined
11 by the commission, as far as practicable, in accordance with the
12 procedures set forth in the "Municipal Consolidation Act,"
13 P.L.1977, c.435 (C.40:43-66.35 et al.) or any other statute
14 governing municipal consolidation.

15 e. For a period of 10 years [from the] following
16 implementation of an approved consolidation [of a pair or group of
17 municipalities pursuant to a consolidation recommendation
18 approved under subsection c. of this section] proposal, and
19 notwithstanding any law to the contrary, the residents of [those
20 municipalities] the consolidated municipality, or portions thereof,
21 shall not have the right to secede to form a new municipality, or to
22 consolidate with, or annex themselves to, any other municipality.

23 f. '[(1)]' If a majority of the voters of a municipality do not
24 approve a shared services proposal, or if a municipality or other
25 entity identified in a proposed shared services agreement does not
26 enter into and implement the proposed shared services agreement
27 within 14 months following voter approval, the State shall annually
28 reduce the total amount of State aid allocated to that municipality or
29 entity by the total net savings estimated in the proposal pursuant to
30 subsection b. of section 7 of P.L.2007, c.54 (C.52:27D-507). ²No
31 municipality shall be subject to an aid reduction for its refusal to
32 comply with a consolidation recommendation or proposal by the
33 commission.²

34 '[(2) If a municipality or other entity identified in a shared
35 services order does not implement the order within the 14 month
36 period specified in subsection c. of this section, the State shall:
37 annually reduce the total amount of State aid allocated to that
38 municipality or entity by the total net savings estimated in the
39 proposed shared services order pursuant to subsection b. of section
40 7 of P.L.2007, c.54 (C.52:27D-507); may withhold all State aid
41 allocated to that municipality or entity until it complies with the
42 order; and may take other steps it deems necessary to enforce the
43 order.]'

44 (cf: P.L.2007, c.54, s.8)

1 ²[8.] 9.² There is appropriated from the General Fund to the
2 Department of Community Affairs such sums as may be necessary
3 for the operating expenses of the Local Unit Alignment,
4 Reorganization, and Consolidation Commission, subject to the
5 approval of the Director of the Division of Budget and Accounting
6 in the Department of the Treasury.

7
8 ²[9.] 10.² There is appropriated from the Property Tax Relief
9 Fund to the Department of Community Affairs such sums for non-
10 recurring costs that the Local Unit Alignment, Reorganization, and
11 Consolidation Commission determines are necessary to fund
12 extraordinary expenses of local units to implement consolidation
13 plans¹[,] and¹ shared service agreements, ¹[and shared services
14 orders,]¹ subject to the approval of the Director of the Division of
15 Budget and Accounting in the Department of the Treasury.

16
17 ²11. (New section) The following sections of law are repealed:
18 Section 8 of P.L.2007, c.63 (C.40A:65-8);
19 Sections 16 through 18 of P.L.1975, c.329 (C.26:3A2-16 through
20 26:3A2-18).²

21
22 ²[10.] 12.² This act shall take effect immediately.