

SENATE, No. 1711

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED FEBRUARY 29, 2016

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator KEVIN J. O'TOOLE

District 40 (Bergen, Essex, Morris and Passaic)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

SYNOPSIS

The “Municipal Stabilization and Recovery Act.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain municipalities confronted by severe
2 fiscal distress and supplementing Title 52 of the Revised Statutes
3 and amending P.L.1977, c.85 and P.L.1974, c.123.

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

7
8 1. (New section) This act shall be known and may be cited as
9 the “Municipal Stabilization and Recovery Act.”

10
11 2. (New section) The Legislature finds and declares that:

12 a. The short and long-term fiscal stability of local government
13 units is essential to the interests of the citizens of this State to assure
14 the efficient and effective provision of necessary governmental
15 services vital to public health, safety, and welfare, including the fiscal
16 health of our State’s municipalities.

17 b. In certain extreme cases, local governments that experience
18 severe fiscal distress become incapable of addressing the
19 circumstances that led to that extraordinary distress or of developing a
20 comprehensive plan for financial rehabilitation and recovery.

21 c. It is necessary and appropriate for the State to take action to
22 assist local governments experiencing severe budget imbalances and
23 other conditions of severe fiscal distress or emergency by requiring
24 prudent fiscal management and operational efficiencies in the
25 provision of public services.

26 d. As the State entity primarily responsible for the financial
27 integrity and stability of all local government units, the Local Finance
28 Board should be authorized, under certain limited circumstances, to
29 develop a comprehensive rehabilitation plan for local governments that
30 are experiencing severe fiscal distress, and to act on behalf of local
31 government units to remedy the distress.

32
33 3. (New section) As used in this act:

34 “Commissioner” means the Commissioner of Community
35 Affairs.

36 “Director” means the Director of the Division of Local
37 Government Services in the Department of Community Affairs.

38 “Director’s designee” means one or more individuals designated
39 by the director, as the director deems appropriate, to act in the
40 director’s stead or exercise one or more of the authorities granted to
41 the director by the Local Finance Board pursuant to the terms of
42 this Act.

43 “Fiscal distress” means a fiscal condition based on a
44 municipality’s tax rate, cash deficit, insufficient percentage of tax
45 collections, insufficient collection of other revenues, over-
46 anticipation of the revenues of prior years, non-liquidation of

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.

1 interfund transfers, reliance on emergency authorizations, continual
2 rollover of tax anticipation notes, inefficiencies in the provision of
3 municipal services such that associated costs substantially exceed
4 costs for similar services in other municipalities, or other factors
5 indicating a constrained ability to meet the municipality's
6 budgetary requirements.

7 "Governing body" means the municipal council, committee,
8 board, or other entity having control of the finances of a
9 municipality, and shall include the mayor.

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

13 "Municipality in need of stabilization and recovery" means a
14 municipality that: (1) has experienced a decrease of more than 50
15 percent in its total assessed property values during the immediately
16 preceding five-year period, as determined by the director, and, upon
17 the recommendation of the director finding that the municipality is
18 experiencing fiscal distress, the commissioner determines the
19 municipality should appropriately be subject to the provisions of
20 P.L. , c. (C.) (pending before the Legislature as this bill); and
21 (2) has experienced an increase in outstanding debt exceeding 50
22 percent during the immediately preceding five-year period, as
23 determined by the director, and upon the recommendation of the
24 director finding that the municipality is experiencing fiscal distress,
25 the commissioner determines the municipality should appropriately
26 be subject to the provisions of P.L. , c. (C.) (pending before
27 the Legislature as this bill).

28
29 4. (New section) The director may ascertain whether a
30 municipality should be deemed a municipality in need of
31 stabilization and recovery. If the director ascertains that a
32 municipality should be deemed a municipality in need of
33 stabilization and recovery, the director shall recommend that the
34 commissioner make that determination. Within 14 days of receipt
35 of the director's recommendation, the commissioner shall make the
36 final determination of whether to deem the municipality a
37 municipality in need of stabilization and recovery and subject to the
38 provisions of P.L. , c. (C.) (pending before the Legislature
39 as this bill). The commissioner shall notify the Governor, the State
40 Treasurer, and the director when a determination has been made and
41 a municipality is subject to the provisions of P.L. , c. (C.)
42 (pending before the Legislature as this bill). The director shall then
43 notify the municipal clerk, or other appropriate municipal official of
44 the municipality, in writing, of the determination. A municipality
45 in need of stabilization and recovery shall be subject to the
46 provisions of P.L. , c. (C.) (pending before the Legislature
47 as this bill) for a period of five consecutive years.

1 5. (New section) a. (1) Notwithstanding the provisions of any
2 law, rule, or regulation to the contrary, upon the determination by
3 the commissioner that a municipality is in need of stabilization and
4 recovery, and at any time during the succeeding five years, the
5 Local Finance Board may, in its exclusive discretion, assume and
6 reallocate to, and vest exclusively in the director any of the
7 functions, powers, privileges, and immunities of the governing body
8 of that municipality set forth in any statute, regulation, ordinance,
9 resolution, charter, or contract to which the municipality is a party
10 that are, or may be, substantially related to the fiscal condition or
11 financial rehabilitation and recovery of that municipality. The
12 duration of the transfer of the functions, powers, privileges, and
13 immunities of the governing body shall not exceed five consecutive
14 years.

15 (2) In the event the Local Finance Board assumes and
16 reallocates to the director any function, power, privilege, or
17 immunity of the governing body of a municipality in need of
18 stabilization and recovery set forth in a contract to which that
19 municipality is a party, the municipality shall remain the party to
20 the contract and neither the Local Finance Board nor the director
21 shall assume any contractual obligations or liability arising out of
22 that contract or be subject to any claim for breach of that contract or
23 any other claim related to that contract. Any actions or steps taken
24 by the director under P.L. , c. (C.) (pending before the
25 Legislature as this bill) shall be deemed to be by, and on behalf of,
26 the municipality in need of stabilization.

27 (3) The authorities granted to the director by the Local Finance
28 Board pursuant to this section shall extend to any and all actions
29 that, in the exclusive discretion of the director, may help stabilize
30 the finances, restructure the debts, or assist in the financial
31 rehabilitation and recovery of the municipality in need of
32 stabilization and recovery. Notwithstanding the provisions of any
33 law, rule, regulation, or contract to the contrary, the director shall
34 have the authority to take any steps to stabilize the finances,
35 restructure the debts, or assist in the financial rehabilitation and
36 recovery of the municipality in need of stabilization and recovery,
37 including, but not limited to:

38 (a) implementing governmental, administrative, and operational
39 efficiency and oversight measures;

40 (b) dissolving, terminating, transferring, abolishing, or otherwise
41 disposing of any municipal authority, board, commission, or
42 department, or any function thereof; provided, however, that no
43 such action shall be taken until adequate provision has been made
44 for the payment of the creditors or obligees of the entity to be
45 impacted unless otherwise permitted by law. This shall include the
46 power to take any steps required of the governing body under
47 applicable laws, including but not limited to the “municipal and
48 county utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et

1 seq.), the “Local Authorities Fiscal Control Law,” P.L.1983, c.313
2 (C.40A:5A-1 et seq.) the “Water Infrastructure Protection Act,”
3 P.L.2015, c.18 (C.58:30-1 et seq.), the “Local Redevelopment and
4 Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et seq.), and the
5 “Municipal Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.).
6 To the extent that the Local Finance Board or the director exercise
7 any powers under the “Local Authorities Fiscal Control Law,”
8 P.L.1983, c.313 (C.40A:5A-1 et seq.) with respect to any municipal
9 authority or municipal public utility in the municipality in need of
10 stabilization and recovery;

11 (c) vetoing the minutes of the governing body of the
12 municipality in need of stabilization and recovery, any board,
13 commission, or department of the municipality in need of
14 stabilization and recovery, and any independent board or authority
15 in the municipality in need of stabilization and recovery, including,
16 but not limited to, the housing authority, parking authority,
17 redevelopment authority, planning board, and zoning board of
18 adjustment. A true copy of the minutes of every meeting of the
19 governing body and any board, commission, department, or
20 independent board, or authority shall be delivered forthwith, by and
21 under the certification of the secretary thereof, to the director. No
22 action taken at the meeting shall have force or effect until 15
23 business days after a copy of the minutes have been so delivered to
24 the director, unless during this 15-day period the director shall
25 approve in writing the minutes or any part thereof, in which case
26 the action shall become effective upon approval. If, within that 15-
27 day period, the director returns a copy of the minutes with a veto of
28 any action taken by the governing body, board, commission,
29 department, or independent board or authority, or any member
30 thereof at the meeting, the action shall be null and void and of no
31 effect. The director may approve all or part of the action taken at a
32 meeting;

33 (d) controlling litigation and the municipality’s legal affairs,
34 including, but not limited to, suing in the municipality’s corporate
35 name; prosecuting, defending, and resolving litigation, arbitration,
36 disputes, and controversies; and retaining and directing municipal
37 corporation counsel and other special counsel as the director may
38 deem appropriate;

39 (e) selling, conveying, leasing, monetizing, or otherwise
40 disposing of any interest in any municipally-owned assets,
41 including but not limited to, any water, sewer, wastewater, and
42 storm water infrastructure, equipment or facilities, services, and in
43 any real property, including any improvements thereon; provided
44 that the director shall not sell, convey, lease, monetize, or otherwise
45 dispose of any municipally-owned water asset until one-year after
46 the effective date of P.L. , c. (C.) (pending before the
47 Legislature as this bill) to allow the municipality in need of
48 stabilization and recovery to maximize the value of that asset;

1 (f) amending or terminating any existing contracts or
2 agreements, which shall not include bonds, notes, indentures, or
3 other similar financing instruments and documents to which the
4 municipality is a party, in accordance with the terms thereof; or
5 unilaterally amending or terminating any contracts or agreements
6 which shall not include bonds, notes, indentures, or other similar
7 financing instruments and documents to which the municipality is a
8 party, provided that the director determines that the unilateral
9 termination or amendment is reasonable and directly related to
10 stabilizing the finances or assisting with the fiscal rehabilitation and
11 recovery of the municipality in need of stabilization and recovery;

12 (g) unilaterally modifying, amending, or terminating any
13 collective negotiations agreements, except those related to school
14 districts, to which the municipality is a party, or unilaterally
15 modifying, amending, or terminating the terms and conditions of
16 employment during the term of any applicable collective
17 negotiations agreement, or both, provided that the director
18 determines that the modifications, amendments, or terminations are
19 reasonable and directly related to stabilizing the finances or
20 assisting with the fiscal rehabilitation and recovery of the
21 municipality in need of stabilization and recovery;

22 (h) acting as the sole agent in collective negotiations on behalf
23 of the municipality in need of stabilization and recovery;

24 (i) with respect to any expired collective negotiations agreement
25 to which the municipality in need of stabilization and recovery is a
26 party, unilaterally modifying wages, hours, or any other terms and
27 conditions of employment;

28 (j) unilaterally abolishing any non-elected positions in the
29 municipality in need of stabilization and recovery at any time. All
30 of the functions, powers, and duties of abolished positions shall be
31 exercised or delegated by the director; provided, however, that the
32 provisions of Title 11A, Civil Service, shall not apply to any
33 employment action under this paragraph;

34 (k) unilaterally appointing, transferring, or removing employees
35 of the municipality in need of stabilization and recovery, including,
36 but not limited to, department heads and division heads, as the case
37 may be, but excluding appointed officials who have obtained tenure
38 in office; provided, however, that the provisions of Title 11A, Civil
39 Service, shall not apply to any employment action under this
40 paragraph;

41 (l) acting as the appropriate authority, including, without
42 limitation, the appointing authority, for purposes of Title 40A of the
43 New Jersey Statutes;

44 (m) entering into any agreement with the county in which the
45 municipality in need of stabilization and recovery is located, any of
46 the other municipalities located in that county, or any
47 instrumentality of the State to share or consolidate municipal
48 services pursuant to any law applicable to consolidation or sharing

1 of services, including, without limitation, the “Uniform Shared
2 Services and Consolidation Act,” P.L.2007, c.63 (C.40A:65-1 et al.)
3 and P.L. 2015, c.279 (C.);

4 (n) procuring any goods, services, commodities, information
5 technology, software, hardware, or other items on behalf of the
6 municipality in need of stabilization and recovery, in accordance
7 with either the “Local Public Contracts Law,” P.L.1971, c.198
8 (C.40A:11-1 et seq.), or procurement laws applicable to the State, at
9 the discretion of the director;

10 (o) retaining any professionals on behalf of the municipality in
11 need of stabilization and recovery, and directing the work of
12 professionals or any professionals previously retained by the
13 municipality in need of stabilization and recovery, in accordance
14 with either the “Local Public Contracts Law,” P.L.1971, c.198
15 (C.40A:11-1 et seq.) or procurement laws applicable to the State, at
16 the discretion of the director;

17 (p) retaining bond counsel, adopting bond ordinances to the
18 extent necessary, making appropriate bond applications, and taking
19 any other steps necessary to restructure and adjust debt, on behalf of
20 the municipality in need of stabilization and recovery;

21 (q) exercising on behalf of the municipality in need of
22 stabilization and recovery any authority granted to a municipality
23 pursuant to the “Local Redevelopment and Housing Law,”
24 P.L.1992, c.79 (C.40A:12A-1 et al.) when the director deems it
25 necessary or appropriate to help stabilize the finances, restructure
26 the debts, or assist with the financial rehabilitation and recovery of
27 the municipality in need of stabilization and recovery;

28 (r) exercising on behalf of the municipality in need of
29 stabilization and recovery any authority granted to a municipality
30 pursuant to the “Redevelopment Area Bond Financing Law,”
31 P.L.2001, c.310 (C. 40A:12A-64 et seq.) when the director deems it
32 necessary or appropriate to help stabilize the finances, restructure
33 the debts, or assist with the financial rehabilitation and recovery of
34 the municipality in need of stabilization and recovery;

35 (s) exercising on behalf of the municipality in need of
36 stabilization and recovery any authority granted to a municipality
37 pursuant to the “Long Term Tax Exemption Law,” P. L.1991, c.431
38 (C.40A:20-1 et seq.) when the director deems it necessary or
39 appropriate to help stabilize the finances, restructure the debts, or
40 assist the financial rehabilitation and recovery of the municipality in
41 need of stabilization and recovery;

42 (t) authorizing and filing, on behalf of the municipality in need
43 of stabilization and recovery, subject only to the written approval of
44 the majority of the members of the legislative Joint Budget
45 Oversight Committee, a petition and other pleadings and papers
46 with any United States court or federal bankruptcy court for the
47 purpose of effecting a plan of readjustment or composition of debts
48 as set forth in R.S.52:27-40 et seq., and taking any other and further

1 actions necessary or appropriate in connection with any case or
2 proceeding; and

3 (u) negotiating and executing any contracts, agreements, or
4 other documents on behalf of the municipality in need of
5 stabilization and recovery as may be necessary or appropriate to
6 effectuate any of the actions or steps specifically identified in P.L. ,
7 c. (C.) (pending before the Legislature as this bill) or that
8 may otherwise, as the director deems necessary or appropriate, help
9 stabilize the finances, restructure the debts, or assist with the
10 financial rehabilitation and recovery of the municipality in need of
11 stabilization and recovery.

12 (4) Subject to subsection b. of section 11 of P.L. , c. (C.)
13 (pending before the Legislature as this bill), the Local Finance
14 Board may authorize the director to take any action authorized to be
15 taken under the "Local Bond Law," N.J.S.40A:2-1 et seq., and the
16 "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et
17 seq.) by a governing body of a local unit.

18 (5) The provisions of P.L.1941, c.100 (C.34:13A-1 et seq.), and
19 regulations promulgated thereunder, shall in no way infringe on the
20 authority of the Local Finance Board or the director set forth in this
21 section or any actions taken by the director pursuant to this section.

22 (6) Any function, power, privilege, or immunity of the
23 municipal governing body that is not assumed by the Local Finance
24 Board and reallocated to and vested exclusively in the director
25 pursuant to this section shall remain allocated to and vested in that
26 governing body unless and until such time as the function, power,
27 privilege, immunity, or duty may be allocated to and vested
28 exclusively in the Local Finance Board or the director pursuant to
29 this section. The Local Finance Board or the director may exercise
30 any power implied or incidental to a power that has been
31 specifically allocated.

32 b. (1) Notwithstanding the provisions of any law, rule, or
33 regulation to the contrary, including any requirements set forth in
34 chapter 49 of Title 40 of the Revised Statutes (C.40:49-1 et seq.),
35 the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975,
36 c.231 (C.10:4-6 et seq.), or section 2 of P.L.1935, c.193 (C.52:27-
37 41), the director shall have the exclusive authority to pass, adopt,
38 repeal, or amend any ordinance or resolution of the municipality in
39 need of stabilization and recovery, modify any meeting agenda of
40 the governing body of the municipality in need of stabilization and
41 recovery, and negotiate, enter into, amend, or terminate any contract
42 or agreement, on behalf of the municipality in need of stabilization
43 and recovery, provided that the director deems the action necessary
44 or appropriate to help stabilize the finances, restructure the debts, or
45 assist with the financial rehabilitation and recovery of the
46 municipality in need of stabilization and recovery.

47 (2) When exercising powers under this section, the director
48 shall, to the extent practicable, comply with all notice, hearing, and

1 other requirements to which the municipality in need of
2 stabilization and recovery is generally subject, but in no instance
3 shall the director be deemed a "public body" pursuant to the
4 "Senator Byron M. Baer Open Public Meetings Act," P.L.1975,
5 c.231 (C.10:4-6 et seq.).

6 (3) The director may issue to the appropriate elected and
7 appointed officials and employees, agents, and contractors of a
8 municipality in need of stabilization and recovery the orders that the
9 director deems appropriate to stabilize the finances, restructure the
10 debts, or assist the financial rehabilitation and recovery of the
11 municipality in need of stabilization and recovery pursuant to the
12 authority granted by the Local Finance Board pursuant to this
13 section. Any order by the director shall be binding on the
14 appropriate elected and appointed officials and employees, agents,
15 and contractors of a municipality in need of stabilization and
16 recovery and may be enforced as other orders of the director are
17 enforced under general law.

18

19 6. Section 3 of P.L.1977, c.85 (C.34:13A-16) is amended to read
20 as follows:

21 3. a. (1) Negotiations between a public fire or police
22 department and an exclusive representative concerning the terms
23 and conditions of employment shall begin at least 120 days prior to
24 the day on which their collective negotiation agreement is to expire.
25 The parties shall meet at least three times during that 120-day
26 period. The first of those three meetings shall take place no later
27 than the 90th day prior to the day on which their collective
28 negotiation agreement is to expire. By mutual consent, the parties
29 may agree to extend the period during which the second and third
30 meetings are required to take place beyond the day on which their
31 collective negotiation agreement is to expire. A violation of this
32 paragraph shall constitute an unfair practice and the violator shall
33 be subject to the penalties prescribed by the commission pursuant to
34 rule and regulation.

35 Prior to the expiration of their collective negotiation agreement,
36 either party may file an unfair practice charge with the commission
37 alleging that the other party is refusing to negotiate in good faith.
38 The charge shall be filed in the manner, form and time specified by
39 the commission in rule and regulation. If the charge is sustained,
40 the commission shall order that the respondent be assessed for all
41 legal and administrative costs associated with the filing and
42 resolution of the charge; if the charge is dismissed, the commission
43 shall order that the charging party be assessed for all legal and
44 administrative costs associated with the filing and resolution of the
45 charge. The filing and resolution of the unfair practice charge shall
46 not delay or impair the impasse resolution process.

47 (2) Whenever those negotiations concerning the terms and
48 conditions of employment shall reach an impasse, the commission,

1 through the Division of Public Employment Relations shall, upon
2 the request of either party, or upon its own motion take such steps,
3 including the assignment of a mediator, as it may deem expedient to
4 effect a voluntary resolution of the impasse.

5 b. (1) In the event of a failure to resolve the impasse by
6 mediation, the Division of Public Employment Relations, at the
7 request of either party, shall invoke factfinding with
8 recommendation for settlement of all issues in dispute unless the
9 parties reach a voluntary settlement prior to the issuance of the
10 factfinder's report and recommended terms of settlement.
11 Factfindings shall be limited to those issues that are within the
12 required scope of negotiations unless the parties to the factfinding
13 agree to factfinding on permissive subjects of negotiation.

14 (2) Notwithstanding the provisions of paragraph (2) of
15 subsection a. of this section or paragraph (1) of this subsection,
16 either party may petition the commission for arbitration on or after
17 the date on which their collective negotiation agreement expires.
18 The petition shall be filed in a manner and form prescribed by the
19 commission. The party filing the petition shall notify the other
20 party of its action. The notice shall be given in a manner and form
21 prescribed by the commission.

22 Any mediation or factfinding invoked pursuant to paragraph (2)
23 of subsection a. of this section or paragraph (1) of subsection b. of
24 this section shall terminate immediately upon the filing of a petition
25 for arbitration.

26 (3) Upon the filing of a petition for arbitration pursuant to
27 paragraph (2) of this subsection, an arbitrator selected pursuant to
28 paragraph (1) of subsection e. of this section shall conduct an initial
29 meeting as a mediation session to effect a voluntary resolution of
30 the impasse.

31 c. (Deleted by amendment, P.L.2010, c.105)

32 d. The resolution of issues in dispute shall be binding arbitration
33 under which the award on the unsettled issues is determined by
34 conventional arbitration. The arbitrator shall determine whether the
35 total net annual economic changes for each year of the agreement
36 are reasonable under the nine statutory criteria set forth in
37 subsection g. of this section and shall adhere to the limitations set
38 forth in section 2 of P.L.2010, c.105 (C.34:13A-16.7). The non-
39 petitioning party, within five days of receipt of the petition, shall
40 separately notify the commission in writing of all issues in dispute.
41 The filing of the written response shall not delay, in any manner,
42 the interest arbitration process.

43 e. (1) The commission shall take measures to assure the
44 impartial selection of an arbitrator or arbitrators from its special
45 panel of arbitrators. On the first business day following receipt of
46 an interest arbitration petition, the commission shall, independent of
47 and without any participation by either of the parties, randomly
48 select an arbitrator from its special panel of arbitrators. The

1 selection by the commission shall be final and shall not be subject
2 to review or appeal.

3 (2) Applicants for initial appointment to the commission's
4 special panel of arbitrators shall be chosen based on their
5 professional qualifications, knowledge, and experience, in
6 accordance with the criteria and rules adopted by the commission.
7 Such rules shall include relevant knowledge of local government
8 operations and budgeting. Appointment to the commission's special
9 panel of arbitrators shall be for a three-year term, with
10 reappointment contingent upon a screening process similar to that
11 used for determining initial appointments. Arbitrators currently
12 serving on the panel shall demonstrate to the commission their
13 professional qualification, knowledge and experience, in accordance
14 with the criteria and rules adopted by the commission, within one
15 year of the effective date of this act. Any arbitrator who does not
16 satisfactorily demonstrate such to the commission within the
17 specified time shall be disqualified.

18 (3) Arbitrators serving on the commission's special panel shall
19 be guided by and subject to the objectives and principles set forth in
20 the "Code of Professional Responsibility for Arbitrators of Labor-
21 Management Disputers [Disputes]" of the National Academy of
22 Arbitrators, the American Arbitration Association, and the Federal
23 Mediation and Conciliation Service.

24 (4) Arbitrators shall be required to complete annual training
25 offered by the State Ethics Commission. Any arbitrator failing to
26 satisfactorily complete the annual training shall be immediately
27 removed from the special panel.

28 The commission may suspend, remove, or otherwise discipline
29 an arbitrator for a violation of P.L.1977, c.85 (C.34:13A-14 et seq.),
30 section 4 of P.L.1995, c.425 (C.34:13A-16.1) or for good cause.
31 An arbitrator who fails to render an award within the time
32 requirements set forth in this section shall be fined \$ 1,000 for each
33 day that the award is late.

34 f. (1) At a time prescribed by the commission, the parties shall
35 submit to the arbitrator their final offers on each economic and non-
36 economic issue in dispute. The offers submitted pursuant to this
37 section shall be used by the arbitrator for the purposes of
38 determining an award pursuant to subsection d. of this section.

39 (2) In the event of a dispute, the commission shall have the
40 power to decide which issues are economic issues. Economic
41 issues include those items which have a direct relation to employee
42 income including wages, salaries, hours in relation to earnings, and
43 other forms of compensation such as paid vacation, paid holidays,
44 health and medical insurance, and other economic benefits to
45 employees.

46 (3) Throughout formal arbitration proceedings the chosen
47 arbitrator may mediate or assist the parties in reaching a mutually
48 agreeable settlement.

1 All parties to arbitration shall present, at the formal hearing
2 before the issuance of the award, written estimates of the financial
3 impact of their last offer on the taxpayers of the local unit to the
4 arbitrator with the submission of their last offer.

5 (4) Arbitration shall be limited to those subjects that are within
6 the required scope of collective negotiations, except that the parties
7 may agree to submit to arbitration one or more permissive subjects
8 of negotiation.

9 (5) The decision of an arbitrator or panel of arbitrators shall
10 include an opinion and an award, and shall be rendered within 90
11 calendar days of the commission's assignment of that arbitrator.

12 Each arbitrator's decision shall be accompanied by a written
13 report explaining how each of the statutory criteria played into the
14 arbitrator's determination of the final award. The report shall
15 certify that the arbitrator took the statutory limitations imposed on
16 the local levy cap into account in making the award.

17 Any arbitrator violating the provisions of this paragraph may be
18 subject to the commission's powers under paragraph (3) of
19 subsection e. of this section. The decision shall be final and binding
20 upon the parties and shall be irreversible, except:

21 (a) Within 14 calendar days of receiving an award, an aggrieved
22 party may file notice of an appeal of an award to the commission on
23 the grounds that the arbitrator failed to apply the criteria specified
24 in subsection g. of this section or violated the standards set forth in
25 N.J.S.2A:24-8 or N.J.S.2A:24-9. The appeal shall be filed in a form
26 and manner prescribed by the commission. In deciding an appeal,
27 the commission, pursuant to rule and regulation and upon petition,
28 may afford the parties the opportunity to present oral arguments.
29 The commission may affirm, modify, correct or vacate the award or
30 may, at its discretion, remand the award to the same arbitrator or to
31 another arbitrator, selected by lot, for reconsideration. The
32 commission's decision shall be rendered no later than 60 calendar
33 days after the filing of the appeal with the commission.

34 Arbitration appeal decisions shall be accompanied by a written
35 report explaining how each of the statutory criteria played into their
36 determination of the final award. The report shall certify that in
37 deciding the appeal, the commission took the local levy cap into
38 account in making the award.

39 An aggrieved party may appeal a decision of the commission to
40 the Appellate Division of the Superior Court.

41 (b) An arbitrator's award shall be implemented immediately.

42 (6) The parties shall share equally the costs of arbitration subject
43 to a fee schedule approved by the commission. The fee schedule
44 shall provide that the cost of services provided by the arbitrator
45 shall not exceed \$ 1,000 per day. The total cost of services of an
46 arbitrator shall not exceed \$ 10,000. If the parties cancel an
47 arbitration proceeding without good cause, the arbitrator may
48 impose a fee of not more than \$ 500. The parties shall share equally

1 in paying that fee if the request to cancel or adjourn is a joint
2 request. Otherwise, the party causing such cancellation shall be
3 responsible for payment of the entire fee.

4 g. The arbitrator shall decide the dispute based on a reasonable
5 determination of the issues, giving due weight to those factors listed
6 below that are judged relevant for the resolution of the specific
7 dispute. In the award, the arbitrator or panel of arbitrators shall
8 indicate which of the factors are deemed relevant, satisfactorily
9 explain why the others are not relevant, and provide an analysis of
10 the evidence on each relevant factor; provided, however, that in
11 every interest arbitration proceeding, the parties shall introduce
12 evidence regarding the factor set forth in paragraph (6) of this
13 subsection and the arbitrator shall analyze and consider the factor
14 set forth in paragraph (6) of this subsection in any award:

15 (1) The interests and welfare of the public. Among the items the
16 arbitrator or panel of arbitrators shall assess when considering this
17 factor are the limitations imposed upon the employer by P.L.1976,
18 c.68 (C.40A:4-45.1 et seq.).

19 (2) Comparison of the wages, salaries, hours, and conditions of
20 employment of the employees involved in the arbitration
21 proceedings with the wages, hours, and conditions of employment
22 of other employees performing the same or similar services and
23 with other employees generally:

24 (a) In private employment in general; provided, however, each
25 party shall have the right to submit additional evidence for the
26 arbitrator's consideration.

27 (b) In public employment in general; provided, however, each
28 party shall have the right to submit additional evidence for the
29 arbitrator's consideration.

30 (c) In public employment in the same or similar comparable
31 jurisdictions, as determined in accordance with section 5 of
32 P.L.1995, c.425 (C.34:13A-16.2); provided, however, that each
33 party shall have the right to submit additional evidence concerning
34 the comparability of jurisdictions for the arbitrator's consideration.

35 (3) The overall compensation presently received by the
36 employees, inclusive of direct wages, salary, vacations, holidays,
37 excused leaves, insurance and pensions, medical and hospitalization
38 benefits, and all other economic benefits received.

39 (4) Stipulations of the parties.

40 (5) The lawful authority of the employer. Among the items the
41 arbitrator or panel of arbitrators shall assess when considering this
42 factor are the limitations imposed upon the employer by P.L.1976,
43 c.68 (C.40A:4-45.1 et seq.).

44 (6) The financial impact on the governing unit, its residents, the
45 limitations imposed upon the local unit's property tax levy pursuant
46 to section 10 of P.L.2007, c.62 (C.40A:4-45.45), and taxpayers.
47 When considering this factor in a dispute in which the public
48 employer is a county or a municipality, the arbitrator or panel of

1 arbitrators shall take into account, to the extent that evidence is
2 introduced, how the award will affect the municipal or county
3 purposes element, as the case may be, of the local property tax; a
4 comparison of the percentage of the municipal purposes element or,
5 in the case of a county, the county purposes element, required to
6 fund the employees' contract in the preceding local budget year with
7 that required under the award for the current local budget year; the
8 impact of the award for each income sector of the property
9 taxpayers of the local unit; the impact of the award on the ability of
10 the governing body to (a) maintain existing local programs and
11 services, (b) expand existing local programs and services for which
12 public moneys have been designated by the governing body in a
13 proposed local budget, or (c) initiate any new programs and services
14 for which public moneys have been designated by the governing
15 body in a proposed local budget.

16 (7) The cost of living.

17 (8) The continuity and stability of employment including
18 seniority rights and such other factors not confined to the foregoing
19 which are ordinarily or traditionally considered in the determination
20 of wages, hours, and conditions of employment through collective
21 negotiations and collective bargaining between the parties in the
22 public service and in private employment.

23 (9) Statutory restrictions imposed on the employer. Among the
24 items the arbitrator or panel of arbitrators shall assess when
25 considering this factor are the limitations imposed upon the
26 employer by section 10 of P.L.2007, c.62 (C.40A:4-45.45).

27 h. A mediator, factfinder, or arbitrator while functioning in a
28 mediatory capacity shall not be required to disclose any files,
29 records, reports, documents, or other papers classified as
30 confidential received or prepared by him or to testify with regard to
31 mediation, conducted by him under this act on behalf of any party
32 to any cause pending in any type of proceeding under this act.
33 Nothing contained herein shall exempt such an individual from
34 disclosing information relating to the commission of a crime.

35 i. The Director of the Division of Local Government Services in
36 the Department of Community Affairs may notify the commission,
37 through the Division of Public Employment Relations, that a
38 municipality deemed a "municipality in need of stabilization and
39 recovery" pursuant to section 4 of P.L. , c. (C.) (pending
40 before the Legislature as this bill) will not participate in any
41 impassé procedures authorized by this section. Upon such notice,
42 any pending impassé procedures authorized by this section shall
43 immediately cease, and any pending petition for arbitration shall be
44 vacated. Nothing in this subsection shall be construed to limit the
45 scope of any general or specific powers of the Local Finance Board
46 or the director set forth in P.L. , c. (C.) (pending before
47 the Legislature as this bill).

1 j. The Local Finance Board may provide that any arbitration
2 award, including but not limited to an interest arbitration award,
3 involving a municipality deemed a “municipality in need of
4 stabilization and recovery” pursuant to section 4 of P.L. , c. (C.)
5 (pending before the Legislature as this bill) shall be subject to the
6 review and approval of the Director of the Division of Local
7 Government Services in the Department of Community Affairs,
8 including those on a collective negotiations agreement where the
9 matter has been submitted to an arbitrator pursuant to law, and no
10 such award shall be binding without the approval of the director.
11 Nothing in this subsection shall be construed to limit the scope of
12 any general or specific powers of the Local Finance Board or the
13 director set forth in P.L. , c. (C.) (pending before the
14 Legislature as this bill).
15 (cf: P.L.2014, c.11, s.1)

16
17 7. Section 1 of P.L.1974, c.123 (C.34:13A-5.4) is amended to
18 read as follows:

19 a. Public employers, their representatives or agents are
20 prohibited from:

21 (1) Interfering with, restraining or coercing employees in the
22 exercise of the rights guaranteed to them by this act.

23 (2) Dominating or interfering with the formation, existence or
24 administration of any employee organization.

25 (3) Discriminating in regard to hire or tenure of employment or
26 any term or condition of employment to encourage or discourage
27 employees in the exercise of the rights guaranteed to them by this
28 act.

29 (4) Discharging or otherwise discriminating against any
30 employee because he has signed or filed an affidavit, petition or
31 complaint or given any information or testimony under this act.

32 (5) Refusing to negotiate in good faith with a majority
33 representative of employees in an appropriate unit concerning terms
34 and conditions of employment of employees in that unit, or refusing
35 to process grievances presented by the majority representative.

36 (6) Refusing to reduce a negotiated agreement to writing and to
37 sign such agreement.

38 (7) Violating any of the rules and regulations established by the
39 commission.

40 b. Employee organizations, their representatives or agents are
41 prohibited from:

42 (1) Interfering with, restraining or coercing employees in the
43 exercise of the rights guaranteed to them by this act.

44 (2) Interfering with, restraining or coercing a public employer in
45 the selection of his representative for the purposes of negotiations
46 or the adjustment of grievances.

47 (3) Refusing to negotiate in good faith with a public employer,
48 if they are the majority representative of employees in an

1 appropriate unit concerning terms and conditions of employment of
2 employees in that unit.

3 (4) Refusing to reduce a negotiated agreement to writing and to
4 sign such agreement.

5 (5) Violating any of the rules and regulations established by the
6 commission.

7 c. The commission shall have exclusive power as hereinafter
8 provided to prevent anyone from engaging in any unfair practice
9 listed in subsections a. and b. above. Whenever it is charged that
10 anyone has engaged or is engaging in any such unfair practice, the
11 commission, or any designated agent thereof, shall have authority to
12 issue and cause to be served upon such party a complaint stating the
13 specific unfair practice charged and including a notice of hearing
14 containing the date and place of hearing before the commission or
15 any designated agent thereof; provided that no complaint shall issue
16 based upon any unfair practice occurring more than 6 months prior
17 to the filing of the charge unless the person aggrieved thereby was
18 prevented from filing such charge in which event the 6-month
19 period shall be computed from the day he was no longer so
20 prevented.

21 In any such proceeding, the provisions of the Administrative
22 Procedure Act P.L.1968, c. 410 (C. 52:14B-1 et seq.) shall be
23 applicable. Evidence shall be taken at the hearing and filed with the
24 commission. If, upon all the evidence taken, the commission shall
25 determine that any party charged has engaged or is engaging in any
26 such unfair practice, the commission shall state its findings of fact
27 and conclusions of law and issue and cause to be served on such
28 party an order requiring such party to cease and desist from such
29 unfair practice, and to take such reasonable affirmative action as
30 will effectuate the policies of this act. All cases in which a
31 complaint and notice of hearing on a charge is actually issued by
32 the commission, shall be prosecuted before the commission or its
33 agent, or both, by the representative of the employee organization
34 or party filing the charge or his authorized representative.

35 d. The commission shall at all times have the power and duty,
36 upon the request of any public employer or majority representative,
37 to make a determination as to whether a matter in dispute is within
38 the scope of collective negotiations. The commission shall serve the
39 parties with its findings of fact and conclusions of law. Any
40 determination made by the commission pursuant to this subsection
41 may be appealed to the Appellate Division of the Superior Court.

42 e. The commission shall adopt such rules as may be required to
43 regulate the conduct of representation elections, and to regulate the
44 time of commencement of negotiations and of institution of impasse
45 procedures so that there will be full opportunity for negotiations and
46 the resolution of impasses prior to required budget submission
47 dates.

1 f. The commission shall have the power to apply to the
2 Appellate Division of the Superior Court for an appropriate order
3 enforcing any order of the commission issued under subsection c. or
4 d. hereof, and its findings of fact, if based upon substantial evidence
5 on the record as a whole, shall not, in such action, be set aside or
6 modified; any order for remedial or affirmative action, if reasonably
7 designed to effectuate the purposes of this act, shall be affirmed and
8 enforced in such proceeding.

9 g. The Director of the Division of Local Government Services in
10 the Department of Community Affairs may notify the commission
11 that a municipality deemed a “municipality in need of stabilization
12 and recovery” pursuant to section 4 of P.L. , c. (C.)
13 (pending before the Legislature as this bill) shall not be subject to
14 the commission’s authority to prevent an unfair practice pursuant to
15 subsection a. of this section. Upon such notice, neither the
16 commission, nor any designee, shall have the authority to issue or
17 cause to be served upon such municipality in need of stabilization
18 and recovery any complaint alleging an unfair practice under
19 subsection a. of this section or to hold any hearings with respect
20 thereto. Nothing in this subsection shall be construed to limit the
21 scope of any general or specific powers of the Local Finance Board
22 or the Director set forth in P.L. , c. (C.) (pending before
23 the Legislature as this bill).

24 (cf: P.L.1979, c.477, s.1)

25
26 8. (New section) In a municipality in need of stabilization and
27 recovery, the director may prepare the annual budget or to instruct
28 the municipal governing body to prepare and submit a proposed
29 annual budget. If the municipal governing body is submitting a
30 proposed annual budget, the director shall fix a date for the
31 municipal governing body to submit that budget to the Local
32 Finance Board, and the board may approve the budget, modify it or
33 instruct the director to prepare an alternative budget. If the director
34 prepares the budget, it shall be submitted to the Local Finance
35 Board for its approval. Once a budget is approved by the Local
36 Finance Board, the budget shall be deemed adopted.

37 a. The director shall have the authority to make temporary
38 appropriations necessary for the period prior to the adoption of the
39 budget, and to make emergency temporary appropriations pursuant
40 to N.J.S.40A:4-20 to meet an urgent situation or event which
41 immediately endangers the health, safety, or property of the
42 residents of the municipality, and to make emergency
43 appropriations pursuant to N.J.S.40A:4-46.

44 b. The director shall have the authority to spend money and
45 authorize expenditures, in accordance with the approved budget or
46 any temporary or emergency appropriations.

1 9. (New section) The director may delegate to the director's
2 designee any power granted to the Director pursuant to P.L. , c.
3 (C.) (pending before the Legislature as this bill). The designation
4 to a director's designee shall be in writing and filed with the Local
5 Finance Board. Any action of a director's designee taken
6 subsequent to the delegation shall be deemed to have been taken by
7 the Director. If any claims are asserted against the director's
8 designee, the director's designee shall, for that purpose only, be
9 considered a State officer within the scope of the "New Jersey Tort
10 Claims Act," N.J.S.59:1-1 et seq.

11

12 10. (New section) In a municipality in need of stabilization and
13 recovery, any initiative approved by the voters of the municipality
14 pursuant to section 17-35 of P.L.1950, c.210 (C.40:69A-184) and
15 any referendum approved pursuant to section 17-36 of P.L.1950,
16 c.210 (C.40:69A-185) shall be advisory only and may be followed,
17 or disregarded, by the Local Finance Board and the director in their
18 discretion. The provisions of this section shall not apply to a
19 referendum approved pursuant to section 11 of P.L. , c. (C.)
20 (pending before the Legislature as this bill).

21

22 11. (New section) a. Notwithstanding the provisions of any law
23 or regulation, including, without limitation, the "Local Bond Law,"
24 N.J.S.40A:2-1 et seq., and the "Municipal Qualified Bond Act,"
25 P.L.1979, c.38 (C. 40A:3-1 et seq.), that requires the adoption of an
26 ordinance or resolution to authorize any action of a municipality, a
27 resolution issued by the director shall suffice in lieu of a municipal
28 ordinance or resolution for all purposes, except for bond
29 ordinances, in a municipality in need of stabilization and recovery.

30 b. In the case of bond ordinances in a municipality in need of
31 stabilization and recovery, the director's resolution in lieu of such
32 ordinances shall be published in full in a newspaper circulating in
33 the municipality and a copy of the resolution shall be filed for
34 public inspection with the municipal clerk of the municipality in
35 need of stabilization and recovery. The publication of the director's
36 resolution shall occur not less than 10 days prior to the time and
37 place of a public hearing to be had on the resolution. The resolution
38 shall become effective on the 45th day after the public hearing,
39 unless:

40 (1) the resolution is modified by the director subsequent to the
41 meeting, in which case there shall be a second public hearing on no
42 less than 10 days' notice; or

43 (2) there is filed with the municipal clerk within 45 days of the
44 hearing, a petition requesting a referendum in said municipality
45 signed by either five percent or 10,000 of the registered voters of
46 said municipality, whichever is lesser.

47 If a petition is filed, the resolution pertaining to the bond
48 measures issued by the director shall be submitted to the registered

1 voters of said municipality at the next general or regular municipal
2 election and in the same manner and form as other public questions
3 to be voted upon by voters of a single municipality.
4

5 12. (New section) If any provision of P.L. , c. (C.)
6 (pending before the Legislature as this bill) or its application is held
7 invalid, the invalidity shall not affect other applications of that
8 provision, or other provisions of P.L. , c. (C.) (pending
9 before the Legislature as this bill), which reasonably can be given
10 effect despite the invalidity, and to this end the provisions of P.L. ,
11 c. (C.) (pending before the Legislature as this bill) are
12 severable.
13

14 13. Section 1 of P.L.1999, c.59 (C.43:8C-1) is amended to read
15 as follows:

16 1. As used in this act, unless the context indicates otherwise:

17 "Chief executive officer" means the mayor of a municipality, the
18 elected county executive of a county, the director of the board of
19 chosen freeholders in a county that does not have an elected county
20 executive, and the chairman or other presiding officer of any other
21 governing body.

22 "Consolidated municipality" or "municipal consolidation" means
23 the resultant municipal entity created after approval and adoption of
24 a public question in favor of consolidation pursuant to the
25 "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et
26 seq.) , or a municipality in need of stabilization and recovery, as
27 defined by section 2 of P.L. , c. (C.) (pending before the
28 Legislature as this bill), for the exclusive purposes of section 2 of
29 P.L.1999, c.59 (C.438C-2).

30 "Director" means the Director of the Division of Local
31 Government Services in the Department of Community Affairs.

32 "Governing body" means the board, commission, council or
33 other body having the control of the finances of a local unit; and in
34 those local units in which a chief executive officer is authorized by
35 law to participate in such control through powers of
36 recommendation, approval or veto, the term includes such executive
37 officer to the extent of such participation.

38 "Interlocal services contract" means a contract between two or
39 more local units for the joint provision of governmental services
40 pursuant to the "Interlocal Services Act," P.L.1973, c.208 (C.40:8A-
41 1 et seq.).

42 "Joint services contract" means a contract between two or more
43 local units to form a joint meeting for the joint provision of
44 governmental services pursuant to the "Consolidated Municipal
45 Service Act," P.L.1952, c.72 (C.40:48B-1 et seq.).

46 "Local unit" means a municipality, consolidated municipality,

1 county, authority as defined in section 3 of P.L.1983, c.313
2 (C.40A:5A-3), joint meeting or fire district.
3 (cf: P.L.1999,c.59,s.1)

4
5 14. (New section) The enumeration of any specific power or
6 authority granted to the Local Finance Board or the director
7 pursuant to P.L. , c. (C.) (pending before the Legislature
8 as this bill) shall not be construed to limit or restrict in any way the
9 general authorities granted by P.L. , c. (C.) (pending
10 before the Legislature as this bill) to the Local Finance Board or the
11 director to take actions necessary or appropriate to help stabilize the
12 finances, restructure the debts, or assist with the financial
13 rehabilitation and recovery of the municipality in need of
14 stabilization and recovery.

15
16 15. (New section) P.L. , c. (C.) (pending before the
17 Legislature as this bill) shall be construed liberally to give effect to
18 its intent that severe fiscal distress in municipalities in need of
19 stabilization and recovery shall be addressed and corrected. The
20 authorities granted to the director herein are intended to supplement
21 authority provided in the "Local Government Supervision Act
22 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) and other
23 applicable laws. To the extent any inconsistency exists between the
24 terms of P.L. , c. (C.) (pending before the Legislature as
25 this bill) and other applicable laws, the terms of P.L. , c. (C.)
26 (pending before the Legislature as this bill) shall prevail.

27
28 16. (New section) The director or the director's designee shall
29 attend the regularly scheduled meetings of the municipal council in
30 a municipality in need of stabilization and recovery. On or before
31 the first day of the sixth year next following the determination that
32 a municipality is in need of stabilization and recovery pursuant to
33 section 4 of P.L. , c. (C.) (pending before the Legislature
34 as this bill), the director shall provide a final report to the Governor
35 and Legislature regarding the municipality in need of stabilization
36 and recovery.

37
38 17. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill, designated the "Municipal Stabilization and Recovery
44 Act," would authorize the State to assist municipalities
45 experiencing severe fiscal distress by developing a comprehensive
46 rehabilitation plan for such a municipality and implementing that
47 plan on behalf of the municipality.

1 The bill defines a “municipality in need of stabilization and
2 recovery” as a municipality that has experienced a decrease of more
3 than 50 percent in its total assessed property values during the
4 immediately preceding five-year period, as determined by the
5 director, and has experienced an increase in outstanding debt
6 exceeding 50 percent during the immediately preceding five-year
7 period, as determined by the director. Under the bill, the director of
8 the Division of Local Government Services may ascertain whether a
9 municipality should be deemed a “municipality in need of
10 stabilization and recovery,” and if so, shall recommend that the
11 commissioner of Community Affairs make such a determination.
12 Within 14 days of receipt of the director’s recommendation, the
13 commissioner must make the final determination of whether to
14 deem the municipality a “municipality in need of stabilization and
15 recovery” and therefore subject to the provisions of the bill for a
16 period of five consecutive years. The commissioner must notify the
17 Governor, the State Treasurer, and the director when a municipality
18 has been deemed to be subject to the provisions of the bill, and must
19 then notify the municipal clerk, or other appropriate municipal
20 official of the municipality, in writing, of that determination.

21 Following that determination, the Local Finance Board may in its
22 exclusive discretion assume, reallocate to, and vest in the Director,
23 any of the functions, powers, privileges, and immunities of the
24 governing body of that municipality set forth in any statute,
25 regulation, ordinance, resolution, charter, or contract to which the
26 municipality is a party that are, or may be, substantially related to
27 the fiscal condition or financial rehabilitation and recovery of that
28 municipality. The duration of the transfer of the functions, powers,
29 privileges, and immunities of the governing body shall not exceed
30 five consecutive years.

31 The director may be granted the authority by the Local Finance
32 Board to take any steps to stabilize the finances, restructure the
33 debts, or assist in the financial rehabilitation and recovery of the
34 municipality in need of stabilization and recovery. This authority
35 includes, but is not limited to, implementing efficiency and
36 oversight measures; dissolving local agencies; vetoing the minutes
37 of the governing body or any subdivision of the municipality;
38 directing litigation and the municipality’s legal affairs; disposing of
39 municipally-owned assets; amending or terminating any existing
40 contracts (excluding financing instruments such as bonds);
41 modifying the terms, including wages and hours, or other terms of
42 collective negotiations agreements or terminating any collective
43 negotiations agreements to which the municipality is a party;
44 negotiating, on behalf of the municipality, future collective
45 bargaining agreements; abolishing any positions in the
46 municipality; unilaterally appointing, transferring, or removing
47 employees; entering into shared services agreements on behalf of
48 the municipality; procuring goods and services on behalf of the

1 municipality; retaining bond counsel and adopting bond ordinances;
2 exercising on behalf of the municipality any authority granted by
3 the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.
4 40A:12A-1 et seq.), the "Redevelopment Area Bond Financing
5 Law," P.L.2001, c.310 (C. 40A:12A-64 et seq.), or the "Long Term
6 Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.); and
7 authorizing and filing on behalf of the municipality a petition and
8 other pleadings and papers with any United States court or federal
9 bankruptcy court for the purpose of effecting a plan of readjustment
10 or composition of debts as set forth in R.S.52:27-40 et seq. The
11 power to file a bankruptcy petition is subject to the written approval
12 of the majority of the members of the legislative Joint Budget
13 Oversight Committee

14 When exercising powers, the director shall, to the extent
15 practicable, comply with all notice, hearing, and other requirements
16 to which the municipality in need of stabilization and recovery is
17 generally subject. Although the director shall not be deemed a
18 "public body" pursuant to the "Senator Byron M. Baer Open Public
19 Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.), the director
20 shall, to the extent practicable, comply with its requirements when
21 taking action on behalf of the municipality in need of stabilization
22 and recovery that would otherwise be subject to that act.

23 The bill also authorizes the director to use early retirement
24 incentives under P.L.1999, c.59 (C.43:8C-2) as a mechanism to help
25 stabilize the finances, restructure the debts, or assist the financial
26 rehabilitation and recovery of the municipality in need of
27 stabilization and recovery.