

ASSEMBLY, No. 1695

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblymen ROBERTS and MALONE

1 AN ACT concerning interlocal service agreements and amending
2 P.L.1973, c.208.

3

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

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7 1. Section 1 of P.L.1973, c.289 (C.40:8B-1) is amended to read as
8 follows:

9 1. This act shall be known and may be cited as the "[Interlocal]
10 Joint Services Incentive Aid Act."
11 (cf: P.L.1973, c.289, s.1)

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13 2. Section 5 of P.L.1973, c.289 (C.40:8B-5) is amended to read as
14 follows:

15 5. Applications for joint service program grants may be made
16 covering any or all [of the following] areas of governmental service,
17 including, but not limited to, the following areas:

18 a. joint assessment and collection of taxes;

19 b. joint maintenance of municipal records and statistics and
20 electronic data processing;

21 c. joint building, housing and plumbing code inspection and
22 enforcement;

23 d. joint solid waste collection and disposal or recycling;

24 e. joint air pollution control inspection and enforcement;

25 f. joint welfare and social service programs;

26 g. joint maintenance and administration of parks and recreational
27 and cultural facilities;

28 h. joint maintenance of roads, public works and beaches;

29 i. joint fire departments (Any intermunicipal volunteer department
30 or company shall be eligible to apply pursuant to section 4 of this act,
31 except that any intermunicipal volunteer fire program shall provide for
32 the consolidation of all companies within the municipalities served.
33 Such consolidation shall in no way be deemed to affect municipal aid
34 to fire companies under N.J.S.40A:14-34. For purposes of such aid,

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

Matter underlined thus is new matter.

1 the consolidated company shall be eligible for the full amount of aid
2 which its constituent companies might have received from any
3 municipality had they remained separate entities);

4 j. consolidation of municipal police forces or departments;

5 k. joint municipal courts;

6 l. joint risk management services;

7 m. joint energy conservation services, including, but not limited to,
8 the costs incurred by local government units in purchasing or renting
9 equipment, materials and supplies, or in employing personnel, for the
10 purposes of reducing energy consumption in buildings and properties
11 owned by such local government units, or in providing advisory and
12 other services in the area of energy conservation to the citizens,
13 businesses and industries of such units.

14 (cf: P.L.1981, c.529, s.1)

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16 3. Section 6 of P.L.1973, c.289 (C.40:8B-6) is amended to read as
17 follows:

18 6. a. No grant under this act shall be made to any joint program
19 which has not submitted an approved plan of operations based on a
20 feasibility study of the project conducted pursuant to this section. A
21 2-year grant may, however, be extended to any consolidated
22 municipality filing an application pursuant to section 42 of the
23 "Municipal Consolidation Act" (P.L.1977, c.435; C.40:43-66.35 et
24 seq.). Such feasibility study shall be conducted by or under the
25 supervision of the Department of Community Affairs, either (1) by the
26 Department of Community Affairs or by an agency or agencies of the
27 State of New Jersey approved by the Commissioner of Community
28 Affairs, or (2) by a qualified third party approved by the Department
29 of Community Affairs and by the principal executive officer of any
30 principal executive department of State Government whose approval
31 of such feasibility study is required by subsection b. of this section and
32 by a majority of 2/3 or more of the applicant local units, or (3) in the
33 case of joint energy conservation services, by the [Department of
34 Energy] Board of Public Utilities or, in the case of joint solid waste
35 collection, disposal or recycling, by the Department of Environmental
36 Protection. Such plan of operations shall constitute the final element
37 of the feasibility study when approved by the Commissioner of
38 Community Affairs and by any and every principal executive officer of
39 a principal executive department of State Government which exercises
40 jurisdiction over the performance of the services to be provided jointly
41 under the proposed program.

42 b. Any local units eligible for aid as defined in sections 3 and 4 of
43 [this act] P.L.1973, c.289 shall be eligible to apply for funds to
44 conduct a feasibility study under the auspices of the Department of
45 Community Affairs. Application for such shall include: the names of
46 the proposed participants; certified copies of a resolution or

1 substantially similar resolutions passed by the governing bodies of the
2 participating units authorizing such application; the services for which
3 joint programs are contemplated, and the expected benefits of such a
4 joint program. The application shall be in such form and shall also
5 contain such other information as may be required by the
6 Commissioner of Community Affairs.

7 All grants for feasibility studies shall require the joint approval of
8 the Commissioner of Community Affairs and the principal executive
9 officer of any and every principal executive department of State
10 Government which exercises jurisdiction over the performance of the
11 services to be provided jointly under the proposed program.

12 c. The feasibility study shall include such detailed surveys of
13 present service standards in the area to be served by the joint program
14 as may be required to establish substantial evidence that a joint
15 program would either enable provision of a needed service which
16 could not otherwise be provided, or remedy existing levels of service
17 provision, or otherwise produce better services at relatively lower unit
18 costs or with more efficient administration, and that such joint
19 programs would not adversely affect neighboring local units, and that
20 no neighboring local unit which might benefit is being excluded from
21 the program; provided that any such local unit claiming exclusion had
22 expressed a desire to be included in the feasibility study by giving
23 written notice of such desire to the Commissioner of Community
24 Affairs within 30 days from the date on which the commissioner made
25 public announcement of the feasibility study grant.

26 d. Within 1 month of the completion of the feasibility study, the
27 Department of Community Affairs shall hold a public hearing in each
28 local unit to be included in the proposed joint program. After such
29 hearings and upon submission and approval of a plan based thereon as
30 provided in subsection a. of this section, the joint program shall be
31 eligible for aid under this act. No joint program shall receive aid
32 unless the governing bodies of all participating local units have passed
33 identically worded resolutions ratifying the grant contract between the
34 State and the participating local units.

35 If the feasibility study shall contain recommendations for
36 establishing a joint service program, within 6 months from the date of
37 the last public hearing on the feasibility study, the governing body of
38 each local unit which participated in the study shall communicate in
39 writing to the Commissioner of Community Affairs stating their
40 intentions of implementing or their specific and detailed objections to
41 implementing each recommendation made in the feasibility study for
42 establishing a joint service plan.

43 e. The Commissioner of Community Affairs shall, upon formal
44 request by the governing body or chief executive officer of any local
45 unit, cause to be made a preliminary survey as to the eligibility of such
46 local unit and any other local units for State aid under this act with

1 respect to any joint arrangements for provision of services specified or
2 suggested in such request. Such preliminary survey shall be of
3 sufficient scope and detail to enable the commissioner to advise all
4 local units concerned in the projected joint arrangement whether the
5 circumstances warrant detailed feasibility study pursuant to
6 subsections a., b., c. and d. of this section; and the commissioner shall
7 transmit formal notice of the findings and conclusions of such
8 preliminary survey to all the said local units concerned.

9 (cf: P.L.1981, c.529, s.2)

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11 4. Section 7 of P.L.1973, c.289 (C.40:8B-7) is amended to read as
12 follows:

13 7. a. Local units in joint programs qualifying for aid for the
14 implementation of joint programs under this act shall receive the
15 following aid for 4 years:

16 (1) if the service provided under the joint agreement is one which
17 the local unit has previously provided, an amount to cover all
18 extraordinary administrative and operating costs incurred by the local
19 unit as a result of implementation of the joint program;

20 (2) if the service provided under the joint agreement is one which
21 the local unit has not previously provided, an amount equal to 10% of
22 the total costs incurred by the local unit as a result of implementation
23 of the joint program.

24 b. (1) In those areas in which the approved feasibility study
25 indicates that previous service provided in any participating local unit
26 was at such a low level that minimum adequacy can be obtained only
27 by substantial upgrading, the Commissioner of Community Affairs is
28 hereby authorized to provide for aid on behalf of that unit in
29 accordance with paragraph (2) of subsection a. of this section rather
30 than paragraph (1).

31 (2) In the event that a local unit currently providing a service at or
32 above minimum levels as determined by the approved feasibility study
33 enters into a joint agreement with a unit or units eligible for aid under
34 paragraph (2) of subsection a. of this section or under paragraph (1)
35 of this subsection, aid to joint program on behalf of each local unit
36 participating may be given as if all local units had qualified for aid
37 under paragraph (2) of subsection a. of this section or under paragraph
38 (1) of this subsection.

39 c. Aid payable under this act shall be subject to availability of State
40 appropriations and to a budget estimate approved in advance by the
41 Commissioner of Community Affairs. The local units shall receive
42 such payment for a period not to exceed 4 years from the date of
43 inception of the joint program.

44 d. (1) For the purposes of this act, "extraordinary operating and
45 administrative costs" shall be deemed to be those operating and
46 administrative costs incurred by a local unit for a service provided

1 through a joint agreement which exceed the operating and
2 administrative costs which it would have incurred for the provision of
3 such service had such joint agreement not been implemented.

4 (2) For the purposes of this act, "operating and administrative
5 costs" shall [not] include costs which are considered capital costs as
6 set forth in section 40A:2-22 of the "Local Bond Law"
7 (N.J.S.40A:2-22)[; except that the Commissioner of Community
8 Affairs may declare as eligible for aid under this act such costs as in his
9 judgment could reasonably be included within an operating budget
10 notwithstanding the fact that they may be bondable].

11 (3) The amounts expended for extraordinary operating and
12 administrative costs by each local unit receiving aid pursuant to
13 paragraph (1) of subsection a. of this section, and the amounts
14 expended for total operating and administrative costs by each other
15 local unit receiving aid under this act, as the case may be, shall be
16 certified each year by each local unit participating in a joint program,
17 and approved by the Commissioner of Community Affairs subject to
18 a performance audit performed by or under the auspices of the
19 Department of Community Affairs.

20 (cf: P.L.1973, c.289, s.7)

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22 5. This act shall take effect immediately.

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STATEMENT

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27 This bill revises the "Interlocal Services Aid Act" by permitting
28 applications for joint service program grants covering any or all areas
29 of government service, and also by providing that capital costs
30 associated with an interlocal service agreement will be covered by a
31 grant made pursuant to the act through an amendment to the
32 definition of "operating and administrative costs." The bill also makes
33 technical corrections to existing law and changes the title of the
34 "Interlocal Services Aid Act" to the "Joint Services Incentive Aid
35 Act."

36 It is the intent of the sponsor that these changes will foster
37 innovative partnerships between local governments and reduce the
38 property tax burden on local property taxpayers.

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43 Revises and renames "Interlocal Services Aid Act."