

SENATE, No. 1

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Senators Singer, Oroho, A.M.Bucco and O'Scanlon

SYNOPSIS

Encourages sharing of services; makes appropriations.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee with technical review.



(Sponsorship Updated As Of: 1/21/2021)

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, making appropriations, and repealing various
5 statutes.

6

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

9

10 1. 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) The goal of encouraging and facilitating the provision of
21 local and regional services through a shared service agreement,
22 joint contract, or consolidation that results in a cost savings that
23 may be passed along to property taxpayers over time, is an
24 important goal of the State of New Jersey, and delays caused by
25 disputes over Civil Service rules and tenure provisions resulting
26 from a shared service, joint contract, or consolidation must be
27 resolved expeditiously to ensure that such provisions do not hinder
28 that goal.

29 c. It is appropriate for the Legislature to enact a new shared
30 services statute that can be used to effectuate agreements between
31 local units for any service or circumstance intended to reduce
32 property taxes through the reduction of local expenses.

33 d. It is contrary to public policy that the tenure rights of certain
34 local personnel should effectively prohibit shared services
35 agreements for the services provided by those local personnel,
36 thereby depriving property taxpayers of property tax relief.

37 e. In order to evaluate the efficiencies related to the sharing of
38 services of certain local personnel having tenure rights in office, it
39 is appropriate to create a pilot program in seven counties of the
40 State which embody urban, suburban, and rural characteristics to
41 study the sharing of the services of these personnel between
42 municipalities by allowing for the dismissal of such a tenured local
43 official, as necessary, in order to promote and effectuate the sharing
44 of a service.

45 (cf: P.L.2018, c.140, s.2)

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

3 11. a. When a local unit contracts, through a shared service
4 agreement, joint [meeting] contract, or regional service agency to
5 have another local unit, joint meeting, or regional service agency
6 provide a service it is currently providing using public employees
7 and one or more of the local units have adopted Title 11A, Civil
8 Service, then the agreement shall include an employment
9 reconciliation plan in accordance with this section that shall
10 specifically set forth the intended jurisdiction of the Civil Service
11 Commission. Unless otherwise agreed to by the parties, the local
12 unit that will be providing the service will be responsible for filing
13 the employment reconciliation plan with the Civil Service
14 Commission. An employment reconciliation plan shall be subject
15 to the following provisions:

16 (1) **[a** determination of those employees, if any, that shall be
17 transferred to the providing local unit, retained by the recipient
18 local unit, or terminated from employment for reasons of economy
19 or efficiency, subject to the provisions of any existing collective
20 bargaining agreements within the local units.

21 (2) any employee terminated for reasons of economy or
22 efficiency by the local unit providing the service under the shared
23 service agreement shall be given a terminal leave payment of not
24 less than a period of one month for each five-year period of past
25 service as an employee with the local unit, or other enhanced
26 benefits that may be provided or negotiated. For the purposes of
27 this paragraph, "terminal leave payment" means a single, lump sum
28 payment, paid at termination, calculated using the regular base
29 salary at the time of termination. Unless otherwise negotiated or
30 provided by the employer, a terminal leave benefit shall not include
31 extended payment, or payment for retroactive salary increases,
32 bonuses, overtime, longevity, sick leave, accrued vacation or other
33 time benefit, or any other benefit.

34 (3) the Civil Service Commission shall place any employee that
35 has permanent status pursuant to Title 11A, Civil Service, of the
36 New Jersey Statutes that is terminated for reasons of economy or
37 efficiency at any time by either local unit on a special
38 reemployment list for any civil service employer within the county
39 of the agreement or any political subdivision therein.

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

1 has responded with a denial or conditions that must be met in order
2 for it to be approved] the parties to the proposed shared service
3 agreement or joint contract, as appropriate, may request relaxation
4 of the provisions of Title 11A, Civil Service, of the New Jersey
5 Statutes, along with the corresponding rules and regulations,
6 including but not limited to selection and appointment, to require
7 employees of the local units who are not subject to Title 11A, Civil
8 Service, of the New Jersey Statutes prior to the execution of a
9 shared service agreement or joint contract to become civil service
10 employees for the purpose of creating a uniform employee pool
11 from which the new shared service or joint contract provider shall
12 hire employees until the pool is exhausted. This expedited
13 designation of a person as a civil service employee for the purpose
14 of creating a uniform employee pool, without regard to the normal
15 processes, including testing and employment lists, shall provide
16 employees so designated with civil service rights.

17 **[(5)]** (2) when an action is required of the Civil Service
18 Commission by this section, parties to a **[planned]** proposed shared
19 service agreement or joint contract may consult with that
20 commission in advance of the action and the commission shall
21 provide such technical support as may be necessary to assist in the
22 preparation of an employment reconciliation plan or any other
23 action required of the commission by this section.

24 (3) a determination of those employees, if any, that shall be
25 transferred to the providing local unit or joint meeting, retained by
26 the recipient local unit, or terminated from employment for reasons
27 of economy or efficiency. These employment decisions made by
28 the local units on whose behalf the plan is submitted shall be
29 subject to the provisions of any existing collective bargaining
30 agreements within the affected local units. In the event of any
31 conflict in the operation of collective bargaining agreements of the
32 affected local units as it pertains to such employment decisions, the
33 dispute shall be settled by the parties using mediation or, if that is
34 unsuccessful, by binding arbitration.

35 (4) the Civil Service Commission shall place any employee who
36 has permanent status pursuant to Title 11A, Civil Service, of the
37 New Jersey Statutes that is terminated for reasons of economy or
38 efficiency at any time by either local unit on a special
39 reemployment list for any civil service employer within the county
40 of the shared service agreement or joint contract or any political
41 subdivision therein, except that an employee who has turned down a
42 reemployment opportunity in a position that is one with the same or
43 substantially similar job duties as, the same title and series as, the
44 same or substantially similar hours of work as, and a location within
45 a 25 mile radius of, the position from which the employee was
46 terminated, shall be removed from the special reemployment list.

1 (5) when an employee of a jurisdiction that has not adopted
2 Title 11A, Civil Service, of the New Jersey Statutes, is transferred
3 and given a civil service job title pursuant to a shared service
4 agreement or joint contract, then upon termination of the agreement
5 or contract that employee shall remain subject to the provisions of
6 Title 11A, Civil Service, of the New Jersey Statutes.

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

26 c. (1) (a) If the local unit that will provide the service
27 pursuant to a shared service agreement or joint contract is subject to
28 Title 11A, Civil Service, of the New Jersey Statutes, but the local
29 unit to receive the service is not subject to that Title, and the
30 contracting local units desire that some or all employees of the
31 recipient local unit are to be transferred to the providing local unit,
32 the Civil Service Commission shall vest **【only】** those employees
33 **【**who have been employed for one year or more in permanent status
34 pursuant to N.J.S.11A:9-9**】** in appropriate titles, seniority, and civil
35 service tenure with the providing local unit based on the duties of
36 the position, information provided by the recipient unit, and the
37 recommendation of the local unit providing the service. The final
38 decision of which employees shall transfer to the new employer is
39 vested solely with the local unit that will provide the service **【**and
40 subject to the provisions of any existing collective bargaining
41 agreements within the local units**】**, subject to the provisions of any
42 existing collective bargaining agreements within the local unit.

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

1 the transferred employees shall be granted tenure in office and shall
2 only be removed or suspended for good cause and after a hearing;
3 provided, however, that they may be laid-off in accordance with the
4 provisions of N.J.S.11A:8-1 et seq., and the regulations
5 promulgated thereunder.】

6 (b) If the local unit that will provide the service is not subject to
7 the provisions of Title 11A, Civil Service, of the New Jersey
8 Statutes, but the local unit that will receive the service is subject to
9 that Title, and some or all employees of the recipient local unit are
10 to be transferred to the providing local unit, any civil service rules
11 incorporated by reference into a collective negotiation agreement
12 applicable to the employees of the recipient local unit shall continue
13 to apply to the transferred employees until the expiration of the
14 collective negotiation agreement.

15 (2) The transferred employees shall be subject to layoff
16 procedures prior to the transfer to the new 【entity】 employer. The
17 current employer of an employee who is being laid off for reasons
18 of economy due to the implementation of a joint contract or shared
19 service agreement, in consultation with the new employer, shall
20 provide the employee with notice of the layoff at least 45 days prior
21 to the layoff date, unless a collective bargaining agreement,
22 employment contract, or personnel policy sets forth a different
23 notice requirement. An employee who has permanent status
24 pursuant to Title 11A, Civil Service, of the New Jersey Statutes
25 shall have a right to appeal the good faith of such layoff by the
26 current employer to the Civil Service Commission, which may
27 consolidate all such appeals. All appeals must be filed within 20
28 days of final notice of such layoff.

29 (3) 【Once】 Except as otherwise provided in subparagraph (b) of
30 paragraph (1) of this subsection, once transferred, 【they will】 an
31 employee shall be subject to any collective bargaining agreements,
32 employment contracts, personnel policies, and provisions that exist
33 for the new 【entity】 employer. The final decision of which
34 employees shall transfer to the new employer is vested solely with
35 the local unit that will provide the service 【and subject to the
36 provisions of any existing collective bargaining agreements within
37 the local units】, subject to the provisions of any existing collective
38 bargaining agreements within the affected local units. In the event
39 of any conflict in the operation of collective bargaining agreements
40 of the affected local units as it pertains to such employment
41 decisions, the dispute shall be settled by the parties using mediation
42 or, if that is unsuccessful, by binding arbitration.

43 (cf: P.L.2019, c.433, s.5)

44
45 3. Section 18 of P.L.2007, c.63 (C.40A:65-18) is amended to
46 read as follows:

1 18. a. When a joint meeting or regional service agency merges
2 bargaining units that have current contracts negotiated in
3 accordance with the provisions of the "New Jersey Employer-
4 Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.),
5 **[the]** terms and conditions of the existing contracts shall apply to
6 the rights of the members of the respective bargaining units until a
7 new contract is negotiated, reduced to writing, and signed by the
8 parties as provided pursuant to law and regulation promulgated
9 thereunder.

10 b. The Public Employment Relations Commission is
11 specifically authorized to provide technical advice, pursuant to
12 section 12 of P.L.1968, c.303 (C.34:13A-8.3), and mediation
13 services to integrate separate labor agreements into single
14 agreements for the joint contract. The commission may order
15 binding arbitration, pursuant to P.L.1995, c.425 (C.34:13A-14a et
16 al.), to integrate any labor agreement.

17 c. When local units enter into a joint meeting that results in the
18 merger of bargaining units, if a dispute arises over the
19 representation of employees in the merged unit, the Public
20 Employment Relations Commission is authorized to provide
21 technical advice pursuant to section 12 of P.L.1968, c.303
22 (C.34:13A-8.3), and mediation services to resolve representation
23 disputes. If disputes over representation cannot be resolved through
24 advice and mediation, the Public Employment Relations
25 Commission shall determine the appropriate units for purposes of
26 collective negotiations and shall conduct secret ballot elections in
27 such units to permit employees to select their majority
28 representative pursuant to the commission's rules and regulations.
29 Agreements between majority representatives regarding the
30 representation of employees in a merged unit shall be binding on
31 the new employer.

32 (cf: P.L.2019, c.433, s.5)

33

34 4. Section 22 of P.L.2007, c.63 (C.40A:65-22) is amended to
35 read as follows:

36 22. a. The management committee shall comply with the
37 requirements of sections 10 and 11 of P.L.1983, c.313 (C.40A:5A-
38 10 and C.40A:5A-11) regarding the submission and approval of an
39 annual budget to the Director of the Division of Local Government
40 Services in the Department of Community Affairs, or to the
41 Commissioner of Education, as appropriate.

42 b. The management committee, not later than November 1 of
43 each year, shall certify to the participating local units the total costs
44 and expenses of operation, other than acquisition and construction
45 costs, of the services, public improvements, works, facilities, or
46 undertakings for the ensuing year, in accordance with the terms and
47 provisions of the joint contract, together with an apportionment of
48 the costs and expenses of operation among the participating local

1 units in accordance with the method of apportionment provided in
2 the joint contract. It shall be the duty of each participating local
3 unit to include its apportioned share of such costs and expenses of
4 operation in its annual budget, and to pay over to the management
5 committee its apportioned share as provided in the joint contract.
6 Operations under the budget and related matters shall be subject to
7 and in accordance with rules of the Local Finance Board or the
8 Commissioner of Education, as appropriate. The Local Finance
9 Board shall be responsible for the determination of the appropriate
10 rule-making authority with regard to each joint contract. For the
11 first year of operation under the joint contract, a participating local
12 unit may adopt a supplemental or emergency appropriation for the
13 purpose of paying its apportioned share of the costs and expenses of
14 operation, if provision therefor has not been made in the annual
15 budget.

16 (cf: P.L.2007, c.63, s.22)

17

18 5. (New section) At any time prior to the execution of a shared
19 service agreement or joint contract, if one or more of the local units
20 that are the potential parties to the agreement or contract have
21 adopted Title 11A, Civil Service, of the New Jersey Statutes, the
22 potential parties may submit to the Civil Service Commission an
23 application to employ a stratified layoff process. The application
24 shall assign current employees of the local units to one of three
25 employee bands: executive, managerial, or non-managerial.

26 At the time that the potential parties to a shared service
27 agreement or joint contract submit an application to employ a
28 stratified layoff process to the Civil Service Commission, the
29 parties shall transmit a copy of the application to applicable
30 collective bargaining representatives. Within 15 days after receipt
31 of a copy of an application to employ a stratified layoff process,
32 collective bargaining representatives may submit additional
33 information to the commission for its consideration.

34 The Civil Service Commission shall review assignments and
35 classifications set forth on the application, and any additional
36 information submitted by collective bargaining representatives, and
37 approve an application to employ a stratified layoff process if the
38 application assigns each employee to the proper band.

39 The Civil Service Commission shall assign the job titles in the
40 local units to the following employee bands:

41 executive band: job titles in local government with managerial
42 responsibilities equivalent to a Division Director or higher in the
43 State Career Service;

44 managerial band: job titles in local government with managerial
45 responsibilities equivalent to an Assistant Director or Bureau Chief
46 in the State Career Service and that supervise second level
47 supervisors;

1 non-managerial: job titles in local government that are not in the
2 executive or managerial bands.

3 For the purposes of this section, "stratified layoff process" means
4 a layoff plan and procedure designed to allow employees within a
5 given employee band to invoke seniority in the event of layoffs but
6 to prohibit employees assigned to one band from invoking seniority
7 rights over an employee assigned to another band. This stratified
8 layoff process is intended to be used only in the implementation of
9 a shared service agreement or joint contract. Within an employee
10 band, employees shall retain and be entitled to exercise all seniority
11 and layoff rights that they have under Civil Service law and
12 regulations and under any applicable collective bargaining
13 agreements.

14

15 6. Section 5 of P.L.2007, c.54 (C.52:27D-505) is amended to
16 read as follows:

17 5. a. (1) The commission shall study and report on the
18 structure and functions of county and municipal government,
19 including local taxing districts, their statutory bases, including the
20 fiscal relationship between local governments, and the appropriate
21 allocation of service delivery responsibilities from the standpoint of
22 efficiency. The study of the transfer of the municipal tax
23 assessment function to the county through the appointment of a
24 county assessor and deputy county assessors in a pilot county
25 pursuant to the "Property Assessment Reform Act," sections 1
26 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.), shall be
27 conducted in consultation with the Director of the Division of
28 Taxation in the Department of the Treasury.

29 (2) The commission shall recommend legislative changes which
30 would encourage the more efficient operation of local government.
31 These changes may include the structural and administrative
32 streamlining of county and municipal government functions,
33 including but not limited to, the transfer of functions from one level
34 of government to another, and the use or establishment of regional
35 service delivery entities.

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

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

1 b. Based on its findings pursuant to paragraph (3) of subsection
2 a. of this section, the commission shall develop criteria to serve as
3 the basis; for recommending the consolidation of specific
4 municipalities **[,] and** the merger of specific existing autonomous
5 agencies into the parent municipal or county government, **[or]** and
6 for recommending the sharing of services between municipalities or
7 between municipalities and other public entities, including but not
8 limited to counties, fire districts, school districts, and regional
9 school districts. **[Recommendations for sharing services may result**
10 **from a study focusing exclusively on the sharing of services or may**
11 **result from a study examining potential consolidation.**
12 **Municipalities to be considered for consolidation shall be within the**
13 **same county and shall also be situated within the same legislative**
14 **district.]**

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

17 (1) a consideration of geographic factors, such as a shared
18 boundary, or in the case of the recommended consolidation of more
19 than two local units, that the consolidated local unit will have a
20 contiguous boundary;

21 (2) an analysis of the economic costs and benefits of
22 consolidation or the sharing of services, as the case may be,
23 including potential tax savings and reductions in government costs
24 through economies of scale;

25 (3) measures to ensure that costs and benefits of consolidation
26 or service sharing are distributed equitably across the entire
27 community; and

28 (4) measures to safeguard the interests of communities in the
29 municipalities for which consolidation or sharing of services is
30 recommended, including the impact of a recommended
31 consolidation or sharing of services on the ability of the public
32 entity to comply with applicable State and federal laws and
33 regulations and on the overall quality and efficient delivery of those
34 services.

35 The commission shall **[give priority to]** first focus its studies on
36 local units that [volunteer to be studied] neither participate in a
37 shared service agreement nor have undertaken independent shared
38 services studies or negotiations before it studies any local units that
39 participate in a shared service agreement.

40 When the commission's study is one that could potentially serve
41 as the basis for a recommendation that, if not acted upon, could
42 result in a reduction of State aid pursuant to subsection f. of section
43 8 of P.L.2007, c.54 (C.52:27D-508), then the recommended model,
44 (1) must be projected to be capable of maintaining the same level of
45 service or improving the services provided by the participating
46 municipalities; and (2) must project either a meaningful savings or a

1 slowed rate of growth of costs to result over a reasonable period of
2 time.
3 The commission shall not engage in a study involving a
4 municipality that could potentially serve as the basis for a
5 recommendation that, if not acted upon, could result in a reduction
6 of State aid pursuant to subsection f. of section 8 of P.L.2007, c.54
7 (C.52:27D-508) if that municipality demonstrates that it is already
8 sharing services with another local unit, unless the commission
9 affirmatively demonstrates that it has already studied all
10 municipalities in the State that are not engaged in sharing services
11 with other local units.
12 c. (1) (a) Based upon criteria developed pursuant to
13 subsection b. of this section and in consultation with the local units
14 that are being studied, the commission shall undertake studies to
15 examine the sharing of services between specific municipalities or
16 between municipalities and other public entities. The commission
17 also may undertake studies to examine the consolidation potential
18 for specific municipalities, but such studies or recommendations
19 shall not be subject to potential reductions in State aid pursuant to
20 subsection f. of section 8 of P.L.2007, c.54 (C.52:27D-508).
21 (b) In undertaking its studies the commission shall conduct at
22 least five on-site consultation sessions in each local unit being
23 studied, with the governing bodies, or their designees, and affected
24 officials and other public entities under consideration for
25 consolidation or the sharing of services. If the consultation sessions
26 are subject to the "Senator Byron M. Baer Open Public Meetings
27 Act," P.L.1975, c.231 (C.10:4-6 et seq.), the commission shall
28 reimburse the local units for any expenses incurred.
29 (c) Each consolidation proposal or shared services proposal
30 shall:
31 (i) detail the current delivery service being considered for the
32 shared service proposal, including personnel, equipment, and cost;
33 and
34 (ii) detail the cost, including personnel and equipment for the
35 proposed shared services; and
36 (iii) include an estimate of the total net savings that will result
37 from implementation of the proposed consolidation or sharing of
38 services; and
39 (iv) provide options for the delivery of the shared services and
40 an explanation of why those options are not optimum; and
41 (v) include a transcription of the public hearings held pursuant
42 to paragraph (3) of this subsection; and
43 (vi) include any other pertinent information.
44 (d) The commission shall provide written notice of a
45 recommendation, including any economic analysis, made pursuant
46 to this subsection to the governing body of each local unit that is the
47 subject of the recommendation, together with documentation
48 supporting the commission's recommendation.

1 (e) A local unit may request the commission to undertake a
2 study to examine the local unit's potential for consolidation or the
3 sharing of services. A county may request the commission to
4 undertake a study to examine the county's potential for providing
5 specific shared services to constituent municipalities, however, no
6 county shall be included in a study that could potentially serve as
7 the basis for a recommendation that, if not acted upon, could result
8 in a reduction of State aid to a municipality pursuant to subsection
9 f. of section 8 of P.L.2007, c.54 (C.52:27D-508) unless the request
10 to undertake the study is agreed to by the governing bodies of the
11 affected municipalities through the adoption of resolutions stating
12 support.

13 (f) The results of any economic analysis performed by or on
14 behalf of the commission shall be submitted to the State Treasurer
15 for a review of the accuracy of the analysis prior to releasing a
16 recommendation pursuant to this subparagraph. At the same time,
17 the results of the economic analysis shall be submitted to the
18 affected municipalities and other public entities. No
19 recommendation for a shared service that is submitted to the State
20 Treasurer by the commission shall be made unless the commission
21 finds that the current level of service will be maintained or
22 improved for each affected municipality and that each affected
23 municipality will realize a cost savings. The State Treasurer shall,
24 within 90 days of receipt, weigh any contrary information or
25 evidence submitted by affected municipalities and other public
26 entities and then either certify the recommendation, or prepare a
27 memo of objections for the commission. The local unit shall,
28 within 30 days from the date that the commission submits the
29 economic analysis, either certify the recommendation or provide,
30 either electronically, by e-mail, by letter, or by personal delivery, a
31 written objection along with supporting documentation to the State
32 Treasurer. The commission shall work with the State Treasurer in
33 satisfying the objections prior to resubmitting a recommendation for
34 review and certification. In accordance with the results of its
35 studies, the commission may recommend the consolidation of
36 specific municipalities, or the sharing of services between specific
37 municipalities or between municipalities and other public entities.

38 (g) (i) The commission shall provide written notice to the
39 governing body of each municipality that is the subject of a
40 recommendation, together with supporting documentation and the
41 State Treasurer's certification of, or objections to, the economic
42 analysis. A notice recommending the sharing of services shall state
43 that the governing bodies have 14 months from the date of the
44 notice to approve a certified recommendation for a shared service,
45 or that they need not take any action with respect to a
46 recommendation for a shared service that was not certified by the
47 State Treasurer.

1 (ii) A municipality may contest the total net savings estimate
2 contained in the commission's proposal by appeal to the
3 Commissioner of Community Affairs within 30 days of receipt of
4 the recommendation. The commissioner shall have 15 business
5 days to review the analysis and the challenge in order to determine
6 whether the analysis should be adjusted. The commissioner may
7 extend the review time for the appeal if the commissioner deems a
8 hearing is necessary.

9 (2) When a municipal consolidation is recommended by the
10 commission, the commission shall substitute for a joint municipal
11 consolidation study commission that would be formed pursuant to
12 section 7 of the "Municipal Consolidation Act," P.L.1977, c.435
13 (C.40:43-66.41) or any other statute governing municipal
14 consolidation, and no voter approval shall be required to create the
15 study commission. The commission shall be present at one or more
16 of the public hearings required pursuant to subsection d. of section
17 25 of P.L.2007, c.63 (C.40A:65-25).

18 (3) When a sharing of services is recommended by the
19 commission, the commission shall hold at least two public hearings
20 in each municipality, in places that are easily accessible to the
21 residents. A public hearing required by this paragraph shall be
22 advertised in the official newspaper of the local unit at least seven
23 days prior to the public hearing, posted in each local unit's official
24 buildings and on each local unit's official Internet website, if one
25 exists, and shall also be posted by the commission on its Internet
26 website. The commission shall reimburse the local units for any
27 expenses incurred in holding the public hearings required under this
28 paragraph.

29 d. When a consolidation or shared service is recommended by
30 the commission, the commission shall recommend State funding for
31 any extraordinary expenses necessitated by the consolidation plan
32 or shared service agreement. The commission shall recommend
33 that this funding be provided either by funds made available to the
34 commission for that purpose or by the Legislature or State
35 Treasurer as part of the annual State budget process.

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

37

38 7. Section 6 of P.L.2007, c.54 (C.52:27D-506) is amended to
39 read as follows:

40 6. a. (1) The "Local Unit Alignment, Reorganization, and
41 Consolidation Commission" shall work in conjunction with the
42 Local Finance Board and the Division of Local Government
43 Services in the Department of Community Affairs. **【To the extent**
44 **possible, the】** The commission may request specific resources from
45 the department. The department shall provide the commission with
46 all resources requested by the commission that the department

1 determines are reasonable and necessary for the commission to
2 operate and satisfy its statutory duties including, but not limited to,
3 the provision of offices, equipment, materials, and administrative,
4 technical, and legal personnel. The department shall have the
5 burden of showing that a request for resources is unreasonable.

6 (2) The commission may also request, and shall be entitled to,
7 the assistance and services of the employees of any State
8 department, board, bureau, commission, or agency, as it may
9 require and as may be available to it for its purposes.

10 b. The commission may request, and shall be entitled to, the
11 cooperation of the officials and employees of every county and
12 municipality, as it may require.

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

16 d. The commission may contract for the services of
17 professional, technical, and operational personnel and consultants
18 as it may determine are necessary to perform its duties, within the
19 limits of funds available to it for its purposes.

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

21

22 8. Section 7 of P.L.2007, c.54 (C.52:27D-507) is amended to
23 read as follows:

24 7. a. The "Local Unit Alignment, Reorganization, and
25 Consolidation Commission" shall annually, by January 31st, submit
26 to the Governor and the Legislature a report summarizing the
27 commission's activities over the course of the previous calendar
28 year.

29 b. In the event that the commission proposes consolidation of
30 local units **【or a shared services agreement】**, the commission shall
31 submit a copy of the consolidation **【or shared services】** proposal to
32 the Governor and the Legislature **【no later than May 1st of the year**
33 **in which the proposed consolidation is to be put before the voters**
34 **pursuant to subsection a. of section 8 of P.L.2007, c.54 (C.52:27D-**
35 **508). A municipal consolidation proposal shall include, but not be**
36 **limited to, a description of the form of government, the election of**
37 **officers, the apportionment of debts, and other issues between pairs**
38 **or groups of municipalities which the commission proposes should**
39 **consolidate or share services】 together with its annual report.**

40 c. **【A consolidation or shared services proposal shall take**
41 **effect at the end of a period of 30 calendar days after the date on**
42 **which the proposal is transmitted to the Senate and General**
43 **Assembly, on a day on which both thereof shall be meeting in the**
44 **course of a regular or special session, unless, between the date of**
45 **transmittal and the end of the 30-day period, the Legislature passes**
46 **a concurrent resolution stating in substance that the Legislature**
47 **does not favor the consolidation proposal.】** (Deleted by

1 amendment, P.L. , c. .) (pending before the Legislature as this
2 bill)
3 (cf: P.L.2007, c.54, s.7)
4

5 9. Section 8 of P.L.2007, c.54 (C.52:27D-508) is amended to
6 read as follows:

7 8. a. **【Upon】** If a local unit receives a recommendation for the
8 sharing of services from the commission together with the 【taking
9 effect of a consolidation or shared services proposal】 State
10 Treasurer's certification of the recommendation, pursuant to
11 **【subsection b. of】** section **【7】** 5 of P.L.2007, c.54 【(C.52:27D-
12 507)】 (C.52:27D-505), 【each recommendation included therein
13 shall be put before the affected voters at the next general election
14 and shall become effective only upon its】 the local unit shall
15 approve the recommendation within 14 months of the date of the
16 notice or be subject to a reduction of State aid in accordance with
17 subsection f. of this section. A local unit may approve a
18 recommendation for the sharing of services by adoption of a
19 resolution or ordinance or by adoption by a majority of the voters of
20 **【each affected municipality】** the local unit.

21 Nothing in this subsection shall prohibit the governing body of a
22 local unit from approving a recommendation for the sharing of
23 services by adoption of a resolution or ordinance and placing that
24 proposal before the affected voters at the next general election.

25 b. **【In order to effectuate the provisions of subsection a. of this**
26 **section, the Secretary of State】** If the governing body of a local unit
27 chooses to place the question of approval of a recommendation for
28 the sharing of services before the voters, the clerk or other
29 appropriate administrative officer of the local unit shall forward to
30 the clerk of 【each】 the county in which the 【affected】 local 【units
31 are】 unit is located a public question to be included on the ballots at
32 the next general election for the election districts encompassing
33 those affected local units.

34 **【(1)】** The question with respect to consolidation shall read as
35 follows:

36 "Shall (insert the names of the participating local units) be
37 consolidated into a single local unit to be known as (insert the name
38 proposed for the consolidated local unit)?"

39 **【(2)】** The question with respect to a shared services proposal
40 shall read as follows:

41 "Shall (insert the services to be shared) be jointly undertaken
42 between (insert the names of the entities between which sharing is
43 to occur)? The State's Local Unit Alignment, Reorganization, and
44 Consolidation Commission proposes this “sharing of services” and
45 estimates that it can save \$ (insert estimate of savings included in
46 the proposal pursuant to subsection c. of section 5 of P.L.2007, c.54

1 (C.52:27D-505)). This proposed sharing of service will (insert
2 "reduce," "increase," "not change," or "slow the rate of growth of")
3 the level of service currently provided by (insert the name of the
4 entity) according to the State's recommendation. This estimated
5 savings will result, on average, of a savings of \$ (insert savings per
6 property taxpayer based on averaged assessed property) per
7 property tax bill of the averaged assessed property of \$ (insert the
8 averaged assessed property). The (insert name of entity) (insert
9 "supports" or "opposes") this proposed shared service for the
10 following reason(s) (insert the one or more reasons). If a majority
11 of the voters vote "No", the State shall reduce "State Aid" to your
12 municipality by that amount each year." The reduction of State aid
13 may result in an increase in the property tax levy.

14 c. **【**The consolidation of pairs or groups of local units
15 recommended for consolidation under subsection a. of this section
16 shall be accomplished within 14**】** Local units that are the subject of
17 a recommendation for the sharing of services shall implement the
18 recommendation within 28 months following the 【voter approval】
19 date of the 【consolidation recommendation】 notice of the
20 commission recommendation.

21 d. (1) No question with respect to a consolidation
22 recommended or proposed by the commission shall be submitted to
23 the voters of a local unit.

24 (2) The adoption of a form of government, the election of
25 officers, the apportionment of debts, and other issues between pairs
26 or groups of municipalities 【required】 that choose to consolidate
27 pursuant to 【an approved】 a consolidation 【recommendation under
28 subsection c. of this section】 proposal shall be determined by the
29 commission, as far as practicable, in accordance with the
30 procedures set forth in the "Municipal Consolidation Act,"
31 P.L.1977, c.435 (C.40:43-66.35 et al.) or any other statute
32 governing municipal consolidation.

33 e. For a period of 10 years **【from the】 following**
34 implementation of an approved consolidation 【of a pair or group of
35 municipalities pursuant to a consolidation recommendation
36 approved under subsection c. of this section】 proposal, and
37 notwithstanding any law to the contrary, the residents of 【those
38 municipalities】 the consolidated municipality, or portions thereof,
39 shall not have the right to secede to form a new municipality, or to
40 consolidate with, or annex themselves to, any other municipality.

41 f. (1) If a municipality does not approve a recommendation
42 for the sharing of services within 14 months of the date of notice of
43 the commission's recommendation, or if that municipality does not
44 make a good faith attempt to enter into and implement the
45 recommended joint contract or shared service agreement within 28
46 months following the date of notice of the commission's

1 recommendation, then the State shall annually reduce the total
2 amount of State aid allocated to that municipality under the
3 Consolidated Municipal Property Tax Relief Aid (CMPTRA)
4 program, by the total net savings estimated in the proposal pursuant
5 to subsection c. of section 5 of P.L.2007, c.54 (C.52:27D-505).

6 (2) No municipality shall be subject to a reduction in its
7 CMPTRA allocation for its refusal to comply with a consolidation
8 recommendation or proposal by the commission.

9 (3) No municipality shall be subject to a reduction in its
10 CMPTRA allocation if it approved a recommendation for the
11 sharing of services and the failure to implement the
12 recommendation was due to the action or inaction of the governing
13 body or voters of another local unit.

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

15

16 10. (New section) There is appropriated from the General Fund
17 to the Department of Community Affairs such sums as may be
18 necessary for the operating expenses of the Local Unit Alignment,
19 Reorganization, and Consolidation Commission, subject to the
20 approval of the Director of the Division of Budget and Accounting
21 in the Department of the Treasury.

22

23 11. (New section) There is appropriated from the Property Tax
24 Relief Fund to the Department of Community Affairs such sums for
25 non-recurring costs that the Local Unit Alignment, Reorganization,
26 and Consolidation Commission determines are necessary to fund
27 extraordinary expenses of local units to implement consolidation
28 plans and shared service agreements, subject to the approval of the
29 Director of the Division of Budget and Accounting in the
30 Department of the Treasury.

31

32 12. (New section) The following sections are repealed:

33 Section 8 of P.L.2007, c.63 (C.40A:65-8);

34 Section 17 of P.L.2007, c.63 (C.40A:65-17);

35 Section 19 of P.L.2007, c.63 (C.40A:65-19);

36 Sections 16 through 18 of P.L.1975, c.329 (C.26:3A2-16 through
37 26:3A2-18).

38

39 13. This act shall take effect immediately.