

# LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

**SENATE, No. 3049**

## **STATE OF NEW JERSEY 219th LEGISLATURE**

DATED: JUNE 28, 2021

### **SUMMARY**

- Synopsis:** Establishes regional municipal court pilot program.
- Type of Impact:** Indeterminate expenditure impact on participating municipalities.
- Agencies Affected:** Certain municipalities in Atlantic, Cape May, Salem, Cumberland, Gloucester, Hunterdon, Somerset, Warren, Morris, and Sussex.

#### **Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>Local Cost Reduction</b>	Indeterminate

- The Office of Legislative Services (OLS) notes this bill creates a pilot program to establish regional municipal courts by consolidating certain municipal courts. The OLS is unable to quantify the fiscal impact of the bill but notes that establishing a regional municipal court pilot program in certain counties would dictate long-term savings and short-term costs that each participating municipality may experience. There is insufficient information on the short-term costs for setting up a consolidated municipal court or the savings resulting from reduced number of court facilities in the long term. In general, it would be more expensive and less efficient to build and maintain multiple facilities than to consolidate operations within a single facility.

### **BILL DESCRIPTION**

This bill creates a pilot program to establish regional municipal courts by consolidating certain municipal courts. The pilot program would be established in no fewer than three counties and no fewer than five municipalities in each county. The pilot program would take place only in municipalities and counties that apply to the Administrative Office of the Courts (AOC) to participate.

The selection of the appropriate counties and municipalities for the pilot program would be made by the Administrative Director of the Courts in consultation with the assignment judges. In

order to qualify for the pilot program, a county would be required to have a population of less than 300,000 and a population density of less than 500 people per square mile according to the 2010 decennial census. If one county in a multi-county vicinage qualifies, all the counties in the vicinage qualify. Additionally, any county that has considered municipal court consolidation prior to the enactment of the bill could submit information on that prior consideration to the Administrative Director of the Courts, and that county would be included in the pilot program.

A regional municipal court would have jurisdiction over all matters falling within the jurisdiction of the municipal courts that are part of the pilot program. All complaints issued in the county by the State Police or any statewide law enforcement agency, or by any county law enforcement agency, any county code enforcement entity, or by any other non-municipal law enforcement agency within the jurisdiction of the municipal courts would also fall within the jurisdiction of the regional municipal courts.

The nomination and appointment of judges of a regional municipal court would be done in accordance with the provisions of Article VI, Section VI, paragraph 1 of the State Constitution. That paragraph provides that the Governor nominates and appoints any judges of “inferior courts” having jurisdiction over more than one municipality with the advice and consent of the Senate. The assignment judge of the vicinage would have the authority to make a temporary appointment in the event of a vacancy.

All fines and costs collected by a regional municipal court would be the same as currently provided by law for municipal courts. The regional municipal court would retain these monies on a pro rata basis equal to the costs incurred associated with the operations of the court. The remainder of the fines and costs collected by the regional municipal court would be distributed in accordance with existing law, N.J.S.22A:3-4, for deposit in various funds, such as the “Automated Traffic System Fund,” N.J.S.2B:12-30 (used for a Statewide system of integrated traffic ticket control, case processing, and other automated municipal court operations) or the “Emergency Medical Technician Training Fund,” section 3 of P.L.1992, c.143 (C.26:2K-56), or otherwise distributed to the State or appropriate municipalities in accordance with R.S.39:5-40, R.S.:39:5-41, and subsection c. of section 3 of P.L.1979, c.396 (C.2C:46-4).

In support of consolidated court operations, a county participating in the pilot program could consider determining budgets for participating municipalities in that county by way of an assessment based on each participating municipality’s equalized value as determined by the appropriate county board of taxation.

The bill would take effect 60 days after enactment, except the Administrative Director of the Courts may take any anticipatory action in advance as the director deems necessary for the implementation of the pilot program. Any regional municipal court established in a county that is included in the pilot program because that county considered municipal court consolidation on a county-wide basis prior to the enactment of the bill would begin hearing cases no later than January 1, 2022, and any regional municipal court in any other county selected by the Administrative Director of the Courts for the pilot program would begin hearing cases no later than one year following the bill’s enactment.

## **FISCAL ANALYSIS**

### ***JUDICIAL BRANCH***

None received. However, in responding to a request for fiscal information, the AOC noted in an informal statement that, “although overall costs (especially to municipalities) will likely go down due to consolidation, by how much will be dependent on the individualized needs of each

consolidated court regarding caseload, courthouse facilities, technology, etc. However, based on the work completed in Atlantic County, it is expected that municipalities will realize at least a 30 percent savings.”

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS notes this bill creates a pilot program to establish regional municipal courts by consolidating certain municipal courts. Per the provisions of the bill, the following counties would qualify: Atlantic, Cape May, Salem, Cumberland, Gloucester, Hunterdon, Somerset, Warren, Morris, and Sussex. The pilot program would take place only in municipalities that apply to the AOC to participate.

The OLS is unable to quantify the fiscal impact of the bill but notes that establishing a regional municipal court pilot program in certain counties and municipalities would dictate the long-term savings and short-term costs that each participating municipality may experience. There is insufficient information on how the court would be structured and how much money municipalities would save due to consolidation in the long term. In general, it would be more expensive and less efficient to build and maintain multiple facilities than to consolidate operations within a single facility. A 2010 Municipal Court Consolidation Plan issued by the AOC, underscored expert opinion on consolidation of municipal court operations for the potential to save costs by: 1) reducing the number of court facilities; 2) reducing staff size; 3) sharing court security measures; 4) expanding management’s scope of control; and 5) consolidating administrative oversight.

Furthermore, according to a June 15, 2021 press release on Atlantic County’s plans for a countywide municipal court system, a consolidated court system could provide some towns as much as 30-40 percent in savings. Per the county’s estimate, with 11 out of the 23 towns participating, the maximum savings with the a consolidated court system would be more than 73 percent a year. According to the press release, the annual cumulative savings would be nearly \$1.4 million.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).