

ASSEMBLY, No. 1162

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Requires State reimbursement to consolidated municipality of 50 percent of consolidation-related costs.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the consolidation of municipalities and
2 amending P.L.2007, c.63.

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 30 of P.L.2007, c.63 (C.40A:65-30) is amended to
8 read as follows:

9 30. a. A local unit that plans to study the feasibility of a shared
10 service agreement, joint meeting contract, or municipal
11 consolidation may apply to the director for grants or loans to fund
12 the study, including consultant costs, and to fund one-time start-up
13 costs of a shared service agreement or joint meeting contract or
14 municipal consolidation. The director, in consultation with the
15 Commissioner of Education, shall establish a program to be known
16 as the "Sharing Available Resources Efficiently" program, or
17 "SHARE," to accomplish this purpose, and, in consultation with the
18 commissioner, shall promulgate rules and regulations necessary to
19 effectuate the purposes of the program.

20 b. The director, in consultation with the commissioner, shall
21 provide guidelines and procedures for the submission of SHARE
22 grant and loan applications.

23 c. Applications for shared service study funds:

24 (1) May require such local match of funds, as is determined by
25 the director for the studies if the director finds that the local unit is
26 financially capable of providing such matching funds.

27 (2) Shall not require a local match of funds for consolidation
28 studies under sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.)
29 or the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-
30 66.35 et al.).

31 (3) Grants for implementation of shared services may include
32 financial assistance for terminal leave benefits, but not for early
33 retirement incentives related to pension contributions.

34 d. Applications for one-time start-up costs shall provide that:

35 (1) Local units may apply for financial assistance for the one-
36 time start-up costs necessary to implement shared services or the
37 consolidation of municipalities. Costs that may be financed through
38 the issuance of debt or capital lease agreements shall be excluded
39 from this program.

40 (2) The director may set limits on aid awards and negotiate the
41 various provisions, costs, payment provisions, and amounts of
42 grants or loans to ensure that the shared service is cost effective and
43 in the public interest. Financial assistance for costs associated with
44 terminal leave benefits shall be limited to the lesser of the officer or
45 employee's regular base rate of compensation that is paid for the

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 terminal leave benefit pursuant to an applicable employment
2 contract, local practice, local ordinance, or State law.

3 (3) In the case of a municipal consolidation, the consolidated
4 municipality shall be reimbursed for not less than 50 percent of the
5 one-time start-up costs incurred to effectuate the consolidation. If
6 there are insufficient funds available for this purpose through the
7 SHARE program, the State shall reimburse the consolidated
8 municipality from any other State funds that may be available,
9 including, but not limited to, any funds appropriated for
10 Consolidation Implementation.

11 e. The director may provide technical support programs to
12 assist local units in applying for grants or aid for studying shared
13 services.

14 (cf: P.L.2007, c.63, s.30)

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16 2. This act shall take effect immediately.

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STATEMENT

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21 This bill amends the “Uniform Shared Services and
22 Consolidation Act,” P.L.2007, c.63 (C.40A:65-1 et al.) to require
23 that in the case of a municipal consolidation, the consolidated
24 municipality would be reimbursed by the State for not less than 50
25 percent of the one-time start-up costs incurred to effectuate the
26 consolidation. If there are insufficient funds available for this
27 purpose through the "Sharing Available Resources Efficiently"
28 (“SHARE”) program created pursuant to the “Uniform Shared
29 Services and Consolidation Act,” the State would reimburse the
30 consolidated municipality from any other State funds that may be
31 available, including, but not limited to, any funds appropriated for
32 Consolidation Implementation.