

**ASSEMBLY, No. 1600**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Encourages local unit sharing of services; makes appropriations.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



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, and making appropriations.

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

8  
 9       1. Section 11 of P.L.2007, c.63 (C.40A:65-11), is amended to  
 10      read as follows:

11      11. a. When a local unit contracts, through a shared service or  
 12      joint meeting, to have another local unit or a joint meeting provide a  
 13      service it is currently providing using public employees and one or  
 14      more of the local units have adopted Title 11A, Civil Service, then  
 15      the agreement shall include an employment reconciliation plan in  
 16      accordance with this section that **and, if one or more of the local**  
 17      **units have adopted Title 11A, Civil Service,** shall specifically set  
 18      forth the intended jurisdiction of the Civil Service Commission. An  
 19      employment reconciliation plan shall be subject to the following  
 20      provisions:

21      (1) a determination of those employees, if any, that shall be  
 22      transferred to the providing local unit, retained by the recipient  
 23      local unit, or terminated from employment for reasons of economy  
 24      or efficiency, subject to the provisions of any existing collective  
 25      bargaining agreements within the local units.

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

40      (3) the Civil Service Commission shall place any employee that  
 41      has permanent status pursuant to Title 11A, Civil Service, of the  
 42      New Jersey Statutes that is terminated for reasons of economy or  
 43      efficiency at any time by either local unit on a special  
 44      reemployment list for any civil service employer within the county  
 45      of the agreement or any political subdivision therein, except that an

**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 employee who has turned down a reemployment opportunity in a  
2 position that is one with the same or substantially similar job duties  
3 as, the same title and series as, the same or substantially similar  
4 hours of work as, and a location within a twenty-five mile radius of,  
5 the position from which the employee was terminated, shall not be  
6 included on a special reemployment list.

7 (4) **【**when a proposed shared service agreement affects  
8 employees in local units subject to Title 11A, Civil Service, of the  
9 New Jersey Statutes, an employment reconciliation plan shall be  
10 filed with the Civil Service Commission prior to the approval of the  
11 shared service agreement. The commission shall review it for  
12 consistency with this section within 45 days of receipt and it shall  
13 be deemed approved, subject to approval of the shared service  
14 agreement by the end of that time, unless the commission has  
15 responded with a denial or conditions that must be met in order for  
16 it to be approved.**】** (Deleted by amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_)  
17 (pending before the Legislature as this bill).

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

25 b. **【**If all the local units that are parties to the agreement are  
26 subject to the provisions of Title 11A, Civil Service, of the New  
27 Jersey Statutes, the Civil Service Commission shall create an  
28 implementation plan for the agreement that will: (1) transfer  
29 employees with current status in current title unless reclassified, or  
30 (2) reclassify employees into job titles that best reflect the work to  
31 be performed. The Civil Service Commission shall review whether  
32 any existing hiring or promotional lists should be merged,  
33 inactivated, or re-announced. Non-transferred employees shall be  
34 removed or suspended only for good cause and after the opportunity  
35 for a hearing before the Civil Service Commission; provided,  
36 however, that they may be laid-off in accordance with the  
37 provisions of N.J.S.11A:8-1 et seq., and the regulations  
38 promulgated thereunder.**】** The final decision of which employees  
39 shall transfer to the new employer is vested solely with the local  
40 unit that will provide the service and subject to the provisions of  
41 any existing collective bargaining agreements within the local units.

42 c. **【**If the local unit that will provide the service pursuant to a  
43 shared service agreement is subject to Title 11A, Civil Service, of  
44 the New Jersey Statutes, but the local unit to receive the service is  
45 not subject to that Title, and the contracting local units desire that  
46 some or all employees of the recipient local unit are to be  
47 transferred to the providing local unit, the Civil Service

1 Commission shall vest only those employees who have been  
2 employed for one year or more in permanent status pursuant to  
3 N.J.S.11A:9-9 in appropriate titles, seniority, and tenure with the  
4 providing local unit based on the duties of the position. The final  
5 decision of which employees shall transfer to the new employer is  
6 vested solely with the local unit that will provide the service and  
7 subject to the provisions of any existing collective bargaining  
8 agreements within the local units<sup>1</sup>. Once transferred, employees  
9 shall be subject to all applicable collective bargaining agreements,  
10 employment contracts, and personnel policies that exist for the local  
11 unit that will provide the service.

12 d. <sup>2</sup> **【**If the local unit that will provide the service is not subject  
13 to the provisions of Title 11A, Civil Service, of the New Jersey  
14 Statutes, but the local unit that will receive the service is subject to  
15 that Title and the parties desire that some or all employees of the  
16 recipient local unit are to be transferred to the providing local unit,  
17 the transferred employees shall be granted tenure in office and shall  
18 only be removed or suspended for good cause and after a hearing;  
19 provided, however, that they may be laid-off in accordance with the  
20 provisions of N.J.S.11A:8-1 et seq., and the regulations  
21 promulgated thereunder<sup>3</sup>. A permanent employee who is laid off  
22 for reasons of economy due to the joint meeting or shared service  
23 agreement shall be given notice at least 45 days prior to the layoff,  
24 and shall have a right to appeal the good faith of such layoff to the  
25 Civil Service Commission. Appeals must be filed within 20 days of  
26 final notice of such layoff. The transferred employees shall be  
27 subject to layoff procedures prior to the transfer to the new entity.  
28 Once transferred, they will be subject to any employment contracts  
29 and provisions that exist for the new entity. The final decision of  
30 which employees shall transfer to the new employer is vested solely  
31 with the local unit that will provide the service and subject to the  
32 provisions of any existing collective bargaining agreements within  
33 the local units.

34 (cf: P.L.2008, c.29, s.101)

35

36 2. Section 19 of P.L.2007, c.63 (C.40A:65-19) is amended to  
37 read as follows:

38 19. a. When a local unit agrees to participate in a joint meeting  
39 that will provide a service that the local unit is currently providing  
40 itself through public employees, the agreement shall include an  
41 employment reconciliation plan in accordance with this section. An  
42 employment reconciliation plan shall be subject to the following  
43 provisions:

44 (1) a determination of those employees, if any, that shall be  
45 transferred to the joint meeting, retained by the contracting local  
46 unit, or terminated from employment for reasons of economy or  
47 efficiency subject to the provisions of any collective bargaining  
48 agreements within the local units.

1       (2) **【**any employee terminated for reasons of economy or  
2 efficiency by the contracting local unit providing the service or by  
3 the joint meeting shall be given a terminal leave payment of not less  
4 than a period of one month for each five-year period of past service  
5 as an employee with the local unit, or other enhanced benefits that  
6 may be provided or negotiated. Unless otherwise negotiated or  
7 provided by the employer, a terminal leave benefit shall not include  
8 extended payment, or payment for retroactive salary increases,  
9 bonuses, overtime, longevity, sick leave, accrued vacation or other  
10 time benefit, or any other benefit.**】** (Deleted by amendment,  
11 P.L. , c. ) (pending before the Legislature as this bill).

12       (3) the Civil Service Commission shall place any employee that  
13 has permanent status pursuant to Title 11A, Civil Service, of the  
14 New Jersey Statutes that is terminated for reasons of economy or  
15 efficiency at any time by either local unit on a special  
16 reemployment list for any civil service employer within the county  
17 of the agreement or any political subdivision therein, except that an  
18 employee who has turned down a reemployment opportunity in a  
19 position that is one with the same or substantially similar job duties  
20 as, the same title and series as, the same or substantially similar  
21 hours of work as, and a location within a twenty-five mile radius of,  
22 the position from which the employee was terminated, shall not be  
23 included on a special reemployment list.

24       (4) **【**when a proposed joint contract affects employees in local  
25 units that operate under the provisions of Title 11A, Civil Service,  
26 of the New Jersey Statutes, an employment reconciliation plan shall  
27 be filed with the Civil Service Commission prior to the approval of  
28 the joint meeting agreement. That commission shall review the  
29 plan for consistency with this section within 45 days of receipt and  
30 it shall be deemed approved, subject to approval of the joint  
31 meeting agreement by the end of that time, unless that commission  
32 has responded with a denial or conditions that must be met in order  
33 for it to be approved.**】** (Deleted by amendment, P.L. ,  
34 c. ) (pending before the Legislature as this bill).

35       (5) when an action is required of the Civil Service Commission  
36 by this section, parties to a proposed joint contract may consult with  
37 the commission in advance of the action and the commission shall  
38 provide such technical support as may be necessary to assist in the  
39 preparation of an employment reconciliation plan or any other  
40 action required of the commission by this section.

41       b. **【**If both the local unit and joint meeting operate under the  
42 provisions of Title 11A, Civil Service, of the New Jersey Statutes,  
43 the Civil Service Commission shall create an implementation plan  
44 for employees to be hired by the joint meeting that will: (1) transfer  
45 employees with current status in current title unless reclassified or  
46 (2) reclassify employees, if necessary, into job titles that best reflect  
47 the work to be performed. The Civil Service Commission shall

1 review whether any existing hiring or promotional lists should be  
2 merged, inactivated, or re-announced. Non-transferred employees  
3 shall be removed or suspended only for good cause and after the  
4 opportunity for a hearing before the Civil Service Commission;  
5 provided, however, that they may be laid-off in accordance with the  
6 provisions of N.J.S.11A:8-1 et seq., and the regulations  
7 promulgated thereunder.】 The final decision of which employees  
8 shall transfer to the new employer is vested solely with the local  
9 unit that will provide the service and subject to the provisions of  
10 any existing collective bargaining agreements within the local units.

11 c. 【If the joint meeting operates under the provisions of Title  
12 11A, Civil Service, of the New Jersey Statutes, and a local unit  
13 receiving the service is not subject to that Title, and the parties  
14 desire that some or all employees of the local unit be transferred to  
15 the joint meeting, the Civil Service Commission shall vest only  
16 those employees who have been employed one year or more in  
17 permanent status pursuant to N.J.S.40A:9-9 in appropriate titles,  
18 seniority, and tenure with the providing local unit based on the  
19 duties of the position. The final decision of which employees shall  
20 transfer to the new employer is vested solely with the joint meeting  
21 and subject to the agreements affecting the parties, provided that  
22 those agreements do not conflict with the provisions of any existing  
23 collective bargaining agreements within the local units.】 Once  
24 transferred, employees shall be subject to all applicable collective  
25 bargaining agreements, employment contracts, and personnel  
26 policies that exist for the joint meeting.

27 d. 【(1) If the joint meeting does not operate under the  
28 provisions of Title 11A, Civil Service, of the New Jersey Statutes,  
29 and the local unit receiving the service is subject to that Title, and  
30 the parties desire that some or all employees of the recipient local  
31 unit are to be transferred to the joint meeting, then the transferred  
32 employees shall be granted tenure in office and shall be removed or  
33 suspended only for good cause and after a hearing.】 The transferred  
34 employees shall be subject to layoff procedures prior to the transfer  
35 to the new entity. Once transferred, they will be subject to any  
36 applicable collective bargaining agreements, employment contracts,  
37 and 【provisions】 personnel policies that exist for the new entity.  
38 The final decision of which employees shall transfer to the joint  
39 meeting is vested solely with the joint meeting 【and subject to the  
40 provisions of any existing collective bargaining agreements within  
41 the local units】.

42 【(2) A joint meeting established after the effective date of  
43 sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) that affects  
44 both employees in local units subject to Title 11A, Civil Service, of  
45 the New Jersey Statutes and employees in local units not subject to  
46 that Title, shall determine whether the employees of the joint  
47 meeting shall be subject to the Title. If the joint meeting

1 determines that the employees shall not be subject to Title 11A,  
2 Civil Service, of the New Jersey Statutes, then the employees from  
3 the local units in which the Title is in effect shall have the same  
4 rights as employees transferred pursuant to paragraph (1) of this  
5 subsection.】

6 (cf: P.L.2008, c.29, s.102)

7  
8 3. (New section) Notwithstanding any law, rule, or regulation  
9 to the contrary, the provisions of Title 11A, Civil Service, shall not  
10 apply to an employee affected by a shared service agreement or  
11 joint meeting entered into, renewed or extended pursuant to  
12 P.L.2007, c.63 (C.40A:65-1 et seq.) or any other law providing for  
13 the sharing of services after the effective date of this act.

14  
15 4. 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 the recommending or ordering the sharing of services between  
7 municipalities or between municipalities and other public entities,  
8 including but not limited to counties, fire districts, school districts,  
9 and regional school districts. **【Recommendations for sharing**  
10 **services may result from a study focusing exclusively on the**  
11 **sharing of services or may result from a study examining potential**  
12 **consolidation. Municipalities to be considered for consolidation**  
13 **shall be within the same county and shall also be situated within the**  
14 **same legislative 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 is recommended.

30       **【The commission shall give priority to local units that volunteer**  
31 **to be studied.】**

32       c. (1) (a) Based upon criteria developed pursuant to  
33 subsection b. of this section, the commission shall undertake studies  
34 to examine the consolidation of specific municipalities, the merger  
35 of specific existing autonomous agencies into the parent municipal  
36 or county government, and the sharing of services between specific  
37 municipalities or between municipalities and other public entities.

38       (b) A local unit may request the commission to undertake a  
39 study to examine the local unit's potential for consolidation or the  
40 sharing of services. A county may request the commission to  
41 undertake a study to examine the county's potential for providing  
42 specific shared services to constituent municipalities. When  
43 prioritizing studies to undertake, the commission shall give first  
44 priority to local units and counties submitting requests pursuant to  
45 this subparagraph.

46       (c) In accordance with the results of its studies, the commission  
47 may recommend the consolidation or merger of specific

1 municipalities, or of parent municipalities and other public entities,  
2 and may recommend or order the sharing of services between  
3 specific municipalities or between municipalities and other public  
4 entities. The commission shall not undertake studies to examine the  
5 consolidation of municipalities unless they are situated within the  
6 same county.

7 (d) The commission shall provide written notice of a  
8 recommendation or order made pursuant to this subsection to the  
9 governing body of each local unit that is the subject of the  
10 recommendation or order, together with documentation supporting  
11 the commission's recommendation or order. A local unit may  
12 contest the total net savings estimate contained in the commission's  
13 proposal or order by appeal to the Commissioner of Community  
14 Affairs within 30 days of receipt of the recommendation or order.  
15 The commissioner shall have 15 business days to review the  
16 analysis and the challenge in order to determine whether the  
17 analysis should be adjusted. The commissioner may extend the  
18 review time for the appeal if the commissioner deems a hearing is  
19 necessary. The commission shall not submit a consolidation  
20 proposal, shared services proposal, or proposed shared services  
21 order to the Governor and the Legislature pursuant to section 7 of  
22 P.L.2007, c.54 (C.52:27D-507) until the commissioner has rendered  
23 a determination.

24 (e) Notwithstanding any law, rule, or regulation to the contrary,  
25 the provisions of Title 11A, Civil Service, shall not apply to an  
26 employee affected by a shared services agreement ordered or  
27 recommended pursuant to this subsection or agreed to under any  
28 other law providing for the sharing of services.

29 (2) When a municipal consolidation is recommended by the  
30 commission, the commission shall substitute for a joint municipal  
31 consolidation study commission that would be formed pursuant to  
32 section 7 of the "Municipal Consolidation Act," P.L.1977, c.435  
33 (C.40:43-66.41) or any other statute governing municipal  
34 consolidation, and no voter approval shall be required to create the  
35 study commission. The commission shall be present at one or more  
36 of the public hearings required pursuant to subsection d. of section  
37 25 of P.L.2007, c.63 (C.40A:65-25).

38 (3) When a sharing of services is recommended or ordered by  
39 the commission, the commission shall hold at least two public  
40 hearings, in places that are easily accessible to the residents of both  
41 or all of the municipalities, prior to submitting a shared services  
42 proposal or proposed shared services order to the Governor and the  
43 Legislature pursuant to section 7 of P.L.2007, c.54 (C.52:27D-507).

44 d. When a consolidation or shared service is recommended or  
45 ordered by the commission, the commission shall recommend State  
46 funding for any extraordinary expenses necessitated by the  
47 consolidation plan or shared service agreement. The commission  
48 shall recommend that this funding be provided either by funds made

1 available to the commission for that purpose or by the Legislature  
2 or State Treasurer as part of the annual State budget process.  
3 (cf: P.L.2009, c.118, s.16)  
4

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

7 6. a. The "Local Unit Alignment, Reorganization, and  
8 Consolidation Commission" shall work in conjunction with the  
9 Local Finance Board and the Division of Local Government  
10 Services in the Department of Community Affairs. **【To the extent**  
11 **possible, the】** The commission may request specific resources from  
12 the department. The department shall provide the commission with  
13 all resources requested by the commission that the commission  
14 determines are necessary for it to operate and satisfy its statutory  
15 duties, including but not limited to the provision of offices,  
16 equipment, materials, and administrative, technical, and legal  
17 personnel. The commission may also request, and shall be entitled  
18 to, the assistance and services of the employees of any State  
19 department, board, bureau, commission, or agency, as it may  
20 require and as may be available to it for its purposes.

21 b. The commission may request, and shall be entitled to, the  
22 cooperation of the officials and employees of every county and  
23 municipality, as it may require, however, the commission may not  
24 request or require a county or municipality to undertake a study to  
25 examine consolidation or the sharing of service.

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

29 d. The commission may contract for the services of  
30 professional, technical, and operational personnel and consultants  
31 as it may determine are necessary to perform its duties, within the  
32 limits of funds available to it for its purposes.

33 (cf: P.L.2007, c.54, s.6)  
34

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

37 7. a. The "Local Unit Alignment, Reorganization, and  
38 Consolidation Commission" shall annually, by January 31st, submit  
39 to the Governor and the Legislature a report summarizing the  
40 commission's activities over the course of the previous calendar  
41 year.

42 b. (1) In the event that the commission proposes consolidation  
43 of local units **【or a shared services agreement】**, the commission  
44 shall submit a consolidation **【or shared services】** proposal to the  
45 Governor and the Legislature no later than May 1st of the year in  
46 which the proposed consolidation is to be put before the voters  
47 pursuant to subsection a. of section 8 of P.L.2007, c.54 (C.52:27D-  
48 508). A municipal consolidation proposal shall include, but not be

1 limited to, a description of the form of government, the election of  
2 officers, the apportionment of debts, and other issues between pairs  
3 or groups of municipalities which the commission proposes should  
4 consolidate or share services.

5 (2) In the event that the commission proposes a specific sharing  
6 of services, the commission shall submit a proposed shared services  
7 agreement or proposed shared services order to the Governor and  
8 the Legislature for review and consideration of the adoption of a  
9 concurrent resolution pursuant to subsection c. of this section.

10 (3) The commission shall include in every consolidation  
11 proposal, shared services proposal, and proposed shared services  
12 order an estimate of the total net savings that will result from  
13 implementation of the proposed consolidation or sharing of  
14 services.

15 c. A consolidation **【or】** proposal, shared services proposal, or  
16 proposed shared services order shall take effect at the end of a  
17 period of 30 calendar days after the date on which the proposal is  
18 transmitted to the Senate and General Assembly, on a day on which  
19 both thereof shall be meeting in the course of a regular or special  
20 session, unless, between the date of transmittal and the end of the  
21 30-day period, the Legislature passes a concurrent resolution stating  
22 in substance that the Legislature does not favor the **【consolidation】**  
23 proposal.

24 (cf: P.L.2007, c.54, s.7)

25  
26 7. Section 8 of P.L.2007, c.54 (C.52:27D-508) is amended to  
27 read as follows:

28 8. a. Upon the taking effect of a consolidation or shared  
29 services proposal pursuant to subsection **【b.】** c. of section 7 of  
30 P.L.2007, c.54 (C.52:27D-507), each recommendation included  
31 therein shall be put before the affected voters at the next general  
32 election **【and】**. The proposal shall become effective only upon its  
33 adoption by a majority of the voters of each affected municipality.

34 b. In order to effectuate the provisions of subsection a. of this  
35 section, the Secretary of State shall forward to the clerk of each  
36 county in which the affected local units are located a public  
37 question to be included on the ballots at the next general election  
38 for the election districts encompassing those affected local units.

39 (1) The question with respect to consolidation shall read as  
40 follows:

41 "Shall (insert the names of the participating local units) be  
42 consolidated into a single local unit to be known as (insert the name  
43 proposed for the consolidated local unit)? The State, after careful  
44 study, proposes this "consolidation" and estimates that it can save \$  
45 (insert estimate of savings included in the proposal pursuant to  
46 subsection b. of section 7 of P.L.2007, c.54 (C.52:27D-507))."

47 (2) The question with respect to shared services shall read as  
48 follows:

1 "Shall (insert the services to be shared) be jointly undertaken  
2 between (insert the names of the entities between which sharing is  
3 to occur)? The State, after careful study, proposes this "sharing of  
4 services" and estimates that it can save \$ (insert estimate of savings  
5 included in the proposal pursuant to subsection b. of section 7 of  
6 P.L.2007, c.54 (C.52:27D-507)). If you vote "No", the State may  
7 reduce "State Aid" to your municipality by that amount each year."

8 c. (1) **【The consolidation of pairs or groups of local units**  
9 **recommended for】** An approved consolidation 【under subsection a.  
10 of this section】 proposal or shared services proposal shall be  
11 **【accomplished】** implemented within 14 months following 【the】  
12 voter approval of the 【consolidation recommendation】 proposal.

13 (2) A shared services order that has taken effect pursuant to  
14 subsection c. of section 7 of P.L.2007, c.54 (C.52:27D-507), shall  
15 be implemented by each municipality and other public entity  
16 identified therein within 14 months following the date that the  
17 shared services order took effect.

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

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

34 f. (1) If a majority of the voters of a municipality do not  
35 approve a shared services proposal, or if a municipality or other  
36 entity identified in a proposed shared services agreement does not  
37 enter into and implement the proposed shared services agreement  
38 within 14 months following voter approval, the State shall annually  
39 reduce the total amount of State aid allocated to that municipality or  
40 entity by the total net savings estimated in the proposal pursuant to  
41 subsection b. of section 7 of P.L.2007, c.54 (C.52:27D-507).

42 (2) If a municipality or other entity identified in a shared  
43 services order does not implement the order within the 14 month  
44 period specified in subsection c. of this section, the State shall:  
45 annually reduce the total amount of State aid allocated to that  
46 municipality or entity by the total net savings estimated in the  
47 proposed shared services order pursuant to subsection b. of section

1 7 of P.L.2007, c.54 (C.52:27D-507); may withhold all State aid  
2 allocated to that municipality or entity until it complies with the  
3 order; and may take other steps it deems necessary to enforce the  
4 order.

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

6  
7 8. There is appropriated from the General Fund to the  
8 Department of Community Affairs such sums as may be necessary  
9 for the operating expenses of the Local Unit Alignment,  
10 Reorganization, and Consolidation Commission, subject to the  
11 approval of the Director of the Division of Budget and Accounting  
12 in the Department of the Treasury.

13  
14 9. There is appropriated from the Property Tax Relief Fund to  
15 the Department of Community Affairs such sums for non-recurring  
16 costs that the Local Unit Alignment, Reorganization, and  
17 Consolidation Commission determines are necessary to fund  
18 extraordinary expenses of local units to implement consolidation  
19 plans, shared service agreements, and shared services orders,  
20 subject to the approval of the Director of the Division of Budget  
21 and Accounting in the Department of the Treasury.

22  
23 10. This act shall take effect immediately.

24  
25  
26 STATEMENT

27  
28 Under current law, the Local Unit Alignment, Reorganization,  
29 and Consolidation Commission (LUARCC) examines the  
30 consolidation of municipalities, the merger of autonomous agencies  
31 into their parent municipal or county government, and the sharing  
32 of services between municipalities or between municipalities and  
33 other public entities. The bill would clarify LUARCC's powers to  
34 recommend specific consolidations and mergers under current law.  
35 The bill would also clarify and enhance LUARCC's powers to  
36 facilitate shared service agreements by authorizing LUARCC to  
37 recommend or to order the execution of specific shared service  
38 agreements. The provisions of Title 11A, Civil Service, would not  
39 apply to an employee affected by a shared services agreement  
40 ordered or recommended by LUARCC.

41 The bill would require LUARCC to include in every  
42 consolidation proposal and every shared services proposal an  
43 estimate of the savings that will result from implementation of the  
44 proposed consolidation or sharing of services. The bill allows local  
45 units to contest LUARCC's estimate of savings by appeal to the  
46 Commissioner of Community Affairs.

47 Current law provides for public hearings when municipal  
48 consolidations are being considered. The bill provides that when a

1 LUARCC recommends a municipal consolidation, the commission  
2 must be present at one or more of those public hearings. The bill  
3 also requires LUARCC to hold at least two public hearings  
4 whenever the commission recommends or orders a sharing of  
5 services.

6 Under the bill, as under current law, LUARCC-recommended  
7 consolidation or shared service proposals would become effective  
8 upon adoption by a majority of the voters of each affected  
9 municipality. If the voters of a municipality do not approve a  
10 shared services proposal or if a municipality or other entity  
11 identified in a proposed shared services agreement does not enter  
12 into and implement the proposed shared services agreement within  
13 14 months following the effective date of the proposal, the State  
14 would annually reduce that municipality's State aid by the amount  
15 of savings that was estimated by LUARCC.

16 With regard to a LUARCC-ordered sharing of services, if a  
17 municipality or other entity identified in a shared services order  
18 does not implement the order within 14 months of its effective date,  
19 the State would annually reduce the total amount of aid it provides  
20 to that municipality or entity by the amount of savings that was  
21 estimated by LUARCC. Furthermore, the bill provides that under  
22 these circumstances the State may take other steps it deems  
23 necessary to enforce the order, including withholding all State aid  
24 allocated to that municipality or entity until it complies with the  
25 order.

26 Additionally, the bill clarifies the Legislature's intention that  
27 LUARCC have sufficient resources to fulfill its statutory  
28 obligations by empowering LUARCC to request specific resources  
29 from the State and localities and to contract for necessary services.  
30 The bill would appropriate funds to LUARCC to cover the costs of  
31 operations and to fund extraordinary expenses of local units needed  
32 to implement a LUARCC-proposed consolidation plan or shared  
33 service agreement.

34 The bill also provides that when local units enter into, renew, or  
35 extend shared service agreements or joint meetings pursuant to the  
36 "Uniform Shared Services and Consolidation Act," P.L.2007, c.63  
37 (C.40A:65-1 et seq.) or any other law providing for the sharing of  
38 services, the provisions of Title 11A, Civil Service, would not apply  
39 to employees affected by the shared service agreement or joint  
40 contract.