

ASSEMBLY, No. 2029

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JON M. BRAMNICK

District 21 (Morris, Somerset and Union)

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District 21 (Morris, Somerset and Union)

SYNOPSIS

Creates the "Local Unit Audit Teams" program in the Department of the Treasury.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** creating the "Local Unit Audit Teams" program in the
2 Department of the Treasury and supplementing Title 52 of the
3 Revised Statutes.

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

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8 1. a. There is created and established within the Department of
9 the Treasury the "Local Unit Audit Teams" program which shall be
10 administered by the State Treasurer.

11 b. For the purposes of this act, "local unit" means a school
12 district, county, municipality, or other political subdivision of the
13 State, or agency thereof.

14
15 2. The purpose of the "Local Unit Audit Teams" program shall
16 be to provide local units with a comprehensive management review
17 and consulting service administered by the State, at no cost to the
18 local units.

19
20 3. The State Treasurer, in consultation with the Commissioners
21 of Community Affairs and Education, shall establish standards for
22 the "Local Unit Audit Teams" program. The State Treasurer shall
23 establish a series of audit teams, each of which shall include, at a
24 minimum, an experienced municipal or school management
25 professional, as appropriate, to be appointed by the State Treasurer,
26 and staff from the Departments of the Treasury, Education, and
27 Community Affairs. All team members shall serve for a term of
28 three years and shall be eligible for reappointment.

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30 4. The "Local Unit Audit Teams" program is entitled to call to
31 its assistance and avail itself of the services of employees of any
32 State, county or municipal department, board, bureau, commission,
33 agency, or school district as it may require and as may be available
34 to it for its purposes. The Department of the Treasury shall supply
35 professional, stenographic, and clerical assistance which is
36 necessary for the program to perform its duties. The program may
37 incur miscellaneous expenses as it may deem necessary, in order to
38 perform its duties, and as may be within the limits of funds
39 appropriated or otherwise made available to it for those purposes.

40
41 5. The "Local Unit Audit Teams" program shall review all
42 aspects of local unit operation; identify ways to improve efficiency
43 and reduce costs; document State regulations and mandates which
44 place financial burdens on local units without value-added benefits
45 and suggest, on behalf of local officials, which ones should be
46 modified or eliminated; and identify best practices and innovative
47 ideas that other local units may emulate.

1 6. In order for a local unit to participate in the "Local Unit
2 Audit Teams" program, a majority of its elected officials, or, in the
3 case of municipalities governed by the provisions of Article 3 or
4 16A of the "Optional Municipal Charter Law," P.L.1950, c.210 (C.
5 40:69A-31 et seq. and C.40:69A-149.1 et seq.), or by the provisions
6 of laws governing boroughs, R.S. 40:86-1 to R.S. 40:94-6 inclusive,
7 the mayor and a majority of its elected officials, shall request the
8 assistance of an audit team through a resolution that states that the
9 local unit agrees to make all personnel and records available to the
10 audit team, and agree to a public meeting in which the audit team's
11 findings and recommendations are discussed. This resolution shall
12 be transmitted to the State Treasurer, who shall then assign an audit
13 team to the local unit for the purpose of performing an audit.

14
15 7. As part of each audit, the audit team shall interview each
16 elected official in the local unit, as well as any employees,
17 appointees, members of the public, contractors, and other
18 individuals that are deemed appropriate. The audit team shall
19 examine current collective bargaining agreements, audit reports,
20 public offering statements, annual financial statements, operating
21 budgets, personnel policies and other written procedures and
22 policies, the municipal code, contracts for labor, goods, and
23 services, records of the local unit's contracting practices,
24 independent reports and recommendations previously developed for
25 the governmental entities, and any other information the team
26 deems appropriate. The audit team shall physically visit and
27 observe the work procedures and operations throughout the
28 governmental entity to observe employees in the performance of
29 their duties. Following a six to eight week interview and
30 observation process, the audit team shall evaluate its observations,
31 develop alternatives for the local unit, and identify solutions
32 implemented by other local units.

33
34 8. The results of each audit team review shall be compiled in a
35 report that is presented to the elected officials of the local unit at a
36 public meeting. The report shall include: identification of best
37 practices; recommendations that will lead to decreased reliance on
38 property taxes; specific insight and guidance to the local unit to
39 ease the implementation of the recommendations presented; and
40 suggestions for review of specific State laws or regulations. The
41 "Local Unit Audit Teams" program shall file annually with the
42 Governor and the Legislature, pursuant to section 2 of P.L.1991,
43 c.164 (C.52:14-19.1), each of its audit teams' reports, accompanied
44 with any proposed legislation which it may desire to recommend for
45 enactment.

1 9. The State Treasurer may promulgate regulations pursuant to
2 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
3 seq.), necessary to effectuate the provisions of this act.
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5 10. This act shall take effect on the first day of the seventh
6 month next following enactment, except that sections 3 and 9 shall
7 take effect immediately.
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10 STATEMENT
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12 This bill creates the "Local Unit Audit Teams" program in the
13 Department of the Treasury, to be established by the State Treasurer
14 in consultation with the Commissioners of Education and
15 Community Affairs. The program shall provide local units with a
16 comprehensive management review and consulting service
17 administered by the State, at no cost to the local units. The program
18 will consist of a series of audit teams, each of which shall include,
19 at a minimum, an experienced municipal or school management
20 professional and staff from the Departments of the Treasury,
21 Education, and Community Affairs. All team members shall serve
22 for a term of three years and shall be eligible for reappointment.

23 Local units may request an audit from one of the audit teams by
24 passing a resolution that states that the local unit agrees to make all
25 personnel and records available to the audit team, and agree to a
26 public meeting in which the audit team's findings and
27 recommendations are discussed. An audit team will then interview
28 all elected officials of the local unit and other parties that it deems
29 appropriate, review the local unit's records, and visit and observe
30 the work procedures and operations throughout the governmental
31 entity to observe employees in the performance of their duties.

32 After the completion of the audit, the audit team shall prepare a
33 report that shall include: identification of best practices;
34 recommendations that will lead to decreased reliance on property
35 taxes; specific insight and guidance to the individual entity to ease
36 the implementation of the recommendations presented; and
37 suggestions for review of specific state laws or regulations. This
38 report shall be presented to the elected officials of the local unit in a
39 public meeting. The "Local Unit Audit Teams" program shall file
40 annually with the Governor and the Legislature each of its audit
41 teams' reports, accompanied with any proposed legislation which it
42 may desire to recommend for enactment.

43 This bill is part of a series of initiatives designed to address the
44 issue of high property taxes in New Jersey.