

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5590

STATE OF NEW JERSEY

DATED: MAY 12, 2021

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 5590.

This bill would amend the “Municipal Stabilization and Recovery Act,” P.L.2016, c.4 (C.52:27BBBB-1 et al.) to extend to nine years the length of the period of State monitoring to which a municipality determined by the Commissioner of Community Affairs to be in need of stabilization and recovery is to be subject.

The bill also restores Civil Service protections removed by the “Municipal Stabilization and Recovery Act,” P.L.2016, c.4 (C.52:27BBBB-1 et al.), and provides that certain provisions of chapter 13A of Title 34 of the Revised Statutes pertaining to unfair labor practices (N.J.S.A.34:13A-5.4) and impasse procedures and arbitration awards (N.J.S.A.34:13A-16) enacted as part of the “Municipal Stabilization and Recovery Act” shall not be applicable after the original five-year period of stabilization and recovery established in that law.

The bill also repeals a section of the “Municipal Stabilization and Recovery Act,” P.L.2016, c.4 (C.52:27BBBB-11), which permits a municipality in need of stabilization and recovery to use early retirement incentives as a mechanism to stabilize its finances, restructure its debts, or assist its financial rehabilitation and recovery.