

ASSEMBLY, No. 1583

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblywoman ANDREA KATZ

District 8 (Atlantic and Burlington)

SYNOPSIS

Encourages local unit sharing of services; makes appropriations.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 9/26/2024)

A1583 LAMPITT, KATZ

2

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
48 Commission shall vest only those employees who have been

1 employed for one year or more in permanent status pursuant to
2 N.J.S.11A:9-9 in appropriate titles, seniority, and tenure with the
3 providing local unit based on the duties of the position. The final
4 decision of which employees shall transfer to the new employer is
5 vested solely with the local unit that will provide the service and
6 subject to the provisions of any existing collective bargaining
7 agreements within the local units¹. Once transferred, employees
8 shall be subject to all applicable collective bargaining agreements,
9 employment contracts, and personnel policies that exist for the local
10 unit that will provide the service.

11 d. ² **【**If the local unit that will provide the service is not subject
12 to the provisions of Title 11A, Civil Service, of the New Jersey
13 Statutes, but the local unit that will receive the service is subject to
14 that Title and the parties desire that some or all employees of the
15 recipient local unit are to be transferred to the providing local unit,
16 the transferred employees shall be granted tenure in office and shall
17 only be removed or suspended for good cause and after a hearing;
18 provided, however, that they may be laid-off in accordance with the
19 provisions of N.J.S.11A:8-1 et seq., and the regulations
20 promulgated thereunder³. A permanent employee who is laid off
21 for reasons of economy due to the joint meeting or shared service
22 agreement shall be given notice at least 45 days prior to the layoff,
23 and shall have a right to appeal the good faith of such layoff to the
24 Civil Service Commission. Appeals must be filed within 20 days of
25 final notice of such layoff. The transferred employees shall be
26 subject to layoff procedures prior to the transfer to the new entity.
27 Once transferred, they will be subject to any employment contracts
28 and provisions that exist for the new entity. The final decision of
29 which employees shall transfer to the new employer is vested solely
30 with the local unit that will provide the service and subject to the
31 provisions of any existing collective bargaining agreements within
32 the local units.

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

34

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

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

43 (1) a determination of those employees, if any, that shall be
44 transferred to the joint meeting, retained by the contracting local
45 unit, or terminated from employment for reasons of economy or
46 efficiency subject to the provisions of any collective bargaining
47 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, P.L. _____,
11 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. _____, c. _____)
34 (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
48 review whether any existing hiring or promotional lists should be

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

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

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

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

1 Civil Service, of the New Jersey Statutes, then the employees from
2 the local units in which the Title is in effect shall have the
3 samerights as employees transferred pursuant to paragraph (1) of
4 this subsection.】

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

6
7 3. (New section) Notwithstanding any law, rule, or regulation
8 to the contrary, the provisions of Title 11A, Civil Service, shall not
9 apply to an employee affected by a shared service agreement or
10 joint meeting entered into, renewed or extended pursuant to
11 P.L.2007, c.63 (C.40A:65-1 et seq.) or any other law providing for
12 the sharing of services after the effective date of this act.

13

14 4. Section 5 of P.L.2007, c.54 (C.52:27D-505) is amended to
15 read as follows:

16 5. a. (1) The commission shall study and report on the
17 structure and functions of county and municipal government,
18 including local taxing districts, their statutory bases, including the
19 fiscal relationship between local governments, and the appropriate
20 allocation of service delivery responsibilities from the standpoint of
21 efficiency. The study of the transfer of the municipal tax
22 assessment function to the county through the appointment of a
23 county assessor and deputy county assessors in a pilot county
24 pursuant to the "Property Assessment Reform Act," sections 1
25 through 15 of P.L.2009, c.118 (C.54:1-86 et seq.), shall be
26 conducted in consultation with the Director of the Division of
27 Taxation in the Department of the Treasury.

28 (2) The commission shall recommend legislative changes which
29 would encourage the more efficient operation of local government.
30 These changes may include the structural and administrative
31 streamlining of county and municipal government functions,
32 including but not limited to, the transfer of functions from one level
33 of government to another, and the use or establishment of regional
34 service delivery entities.

35 (3) The commission shall also consider optimal service levels,
36 ratios of employees to population served, cost structures for service
37 delivery, and other best practices.

38 Within two years following the effective date of P.L.2007, c.54
39 (C.52:27D-501 et al.), the commission shall report its findings to
40 the Governor, the President of the Senate, and the Speaker of the
41 General Assembly; provided, however, that findings concerning the
42 transfer of the municipal tax assessment function to the county
43 through the appointment of a county assessor and deputy county
44 assessors shall be reported on or before February 1 of the sixth year
45 next following the effective date of P.L.2009, c.118 (C.54:1-86 et
46 al.).

47 b. Based on its findings pursuant to paragraph (3) of subsection
48 a. of this section, the commission shall develop criteria to serve as

1 the basis; for recommending the consolidation of specific
2 municipalities **【,】** and the merger of specific existing autonomous
3 agencies into the parent municipal or county government, **【or】** and
4 for the recommending or ordering the sharing of services between
5 municipalities or between municipalities and other public entities,
6 including but not limited to counties, fire districts, school districts,
7 and regional school districts. **【Recommendations for sharing**
8 **services may result from a study focusing exclusively on the**
9 **sharing of services or may result from a study examining potential**
10 **consolidation. Municipalities to be considered for consolidation**
11 **shall be within the same county and shall also be situated within the**
12 **same legislative district.】**

13 The criteria to govern a study to examine consolidation or the
14 sharing of services shall include, but need not be limited to:

15 (1) a consideration of geographic factors, such as a shared
16 boundary, or in the case of the recommended consolidation of more
17 than two local units, that the consolidated local unit will have a
18 contiguous boundary;

19 (2) an analysis of the economic costs and benefits of
20 consolidation or the sharing of services, as the case may be,
21 including potential tax savings and reductions in government costs
22 through economies of scale;

23 (3) measures to ensure that costs and benefits of consolidation
24 or service sharing are distributed equitably across the entire
25 community; and

26 (4) measures to safeguard the interests of communities in the
27 municipalities for which consolidation is recommended.

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

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

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

44 (c) In accordance with the results of its studies, the commission
45 may recommend the consolidation or merger of specific
46 municipalities, or of parent municipalities and other public entities,
47 and may recommend or order the sharing of services between
48 specific municipalities or between municipalities and other public

1 entities. The commission shall not undertake studies to examine the
2 consolidation of municipalities unless they are situated within the
3 same county.

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

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

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

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

41 d. When a consolidation or shared service is recommended or
42 ordered by the commission, the commission shall recommend State
43 funding for any extraordinary expenses necessitated by the
44 consolidation plan or shared service agreement. The commission
45 shall recommend that this funding be provided either by funds made
46 available to the commission for that purpose or by the Legislature
47 or State Treasurer as part of the annual State budget process.

48 (cf: P.L.2009, c.118, s.16)

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

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

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

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

25 d. The commission may contract for the services of
26 professional, technical, and operational personnel and consultants
27 as it may determine are necessary to perform its duties, within the
28 limits of funds available to it for its purposes.

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

30

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

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

38 b. (1) In the event that the commission proposes consolidation
39 of local units **【**or a shared services agreement**】**, the commission
40 shall submit a consolidation **【**or shared services**】** proposal to the
41 Governor and the Legislature no later than May 1st of the year in
42 which the proposed consolidation is to be put before the voters
43 pursuant to subsection a. of section 8 of P.L.2007, c.54 (C.52:27D-
44 508). A municipal consolidation proposal shall include, but not be
45 limited to, a description of the form of government, the election of
46 officers, the apportionment of debts, and other issues between pairs
47 or groups of municipalities which the commission proposes should
48 consolidate or share services.

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

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

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

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

21
22 7. Section 8 of P.L.2007, c.54 (C.52:27D-508) is amended to
23 read as follows:

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

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

35 (1) The question with respect to consolidation shall read as
36 follows:

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

43 (2) The question with respect to shared services shall read as
44 follows:

45 "Shall (insert the services to be shared) be jointly undertaken
46 between (insert the names of the entities between which sharing is
47 to occur)? The State, after careful study, proposes this "sharing of
48 services" and estimates that it can save \$ (insert estimate of savings

1 included in the proposal pursuant to subsection b. of section 7 of
2 P.L.2007, c.54 (C.52:27D-507)). If you vote "No", the State may
3 reduce "State Aid" to your municipality by that amount each year."

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

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

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

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

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

38 (2) If a municipality or other entity identified in a shared
39 services order does not implement the order within the 14 month
40 period specified in subsection c. of this section, the State shall:
41 annually reduce the total amount of State aid allocated to that
42 municipality or entity by the total net savings estimated in the
43 proposed shared services order pursuant to subsection b. of section
44 7 of P.L.2007, c.54 (C.52:27D-507); may withhold all State aid
45 allocated to that municipality or entity until it complies with the

1 order; and may take other steps it deems necessary to enforce the
2 order.

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

4
5 8. There is appropriated from the General Fund to the
6 Department of Community Affairs such sums as may be necessary
7 for the operating expenses of the Local Unit Alignment,
8 Reorganization, and Consolidation Commission, subject to the
9 approval of the Director of the Division of Budget and Accounting
10 in the Department of the Treasury.

11
12 9. There is appropriated from the Property Tax Relief Fund to
13 the Department of Community Affairs such sums for non-recurring
14 costs that the Local Unit Alignment, Reorganization, and
15 Consolidation Commission determines are necessary to fund
16 extraordinary expenses of local units to implement consolidation
17 plans, shared service agreements, and shared services orders,
18 subject to the approval of the Director of the Division of Budget
19 and Accounting in the Department of the Treasury.

20
21 10. This act shall take effect immediately.

22

23

24

STATEMENT

25

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

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

45 Current law provides for public hearings when municipal
46 consolidations are being considered. The bill provides that when a
47 LUARCC recommends a municipal consolidation, the commission
48 must be present at one or more of those public hearings. The bill

1 also requires LUARCC to hold at least two public hearings
2 whenever the commission recommends or orders a sharing of
3 services.

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

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

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

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