

40: 8B-5 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:8B-5 et al. (Economy in Government Loan Act—loans to local governments for certain services)

LAWS OF: 1981 CHAPTER: 529

Bill No.: A481

Sponsor(s): Schwartz and others

Date Introduced: Pre-filed

Committee: Assembly: State Govt., Federal & Interstate Relations & Veterans Affairs

Senate: County & Municipal Government

Amended during passage: Yes // Amendments during passage denoted by asterisks

according to Governor's recommendations:

Date of Passage: Assembly: April 27, 1981 Re-enacted 1-7-82

Senate: Dec. 17, 1981 Re-enacted 1-12-82

Date of Approval: Jan. 12, 1982

Following statements are attached if available:

Sponsor statement:		Yes	//
Committee statement:	Assembly	///	No
	Senate	Yes	//
Fiscal Note:		///	No
Veto Message:		Yes	//
Message on Signing:		///	No

Following were printed:

Reports:	///	No
Hearings:	///	No

For feasibility studies mentioned in act, contact Division of Local Government Services, Bureau of Local Management Services, Administrative Assistance Unit, 292-6110.

SEP 1983

CHAPTER 529 LAWS OF N. J. 1981
APPROVED 1-12-82

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 481

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblymen SCHWARTZ, PATERO, Assemblywoman KALIK,
Assemblymen DEVERIN, COSTELLO, JANISZEWSKI,
KARCHER, OTLOWSKI, LESNIAK, BORNHEIMER, D.
GALLO and WEIDEL

AN ACT to amend and supplement the "Interlocal Services Aid Act" approved December 6, 1973 (P. L. 1973, c. 289) and making an appropriation.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 5 of P. L. 1973, c. 289 (C. 40:8B-5) is amended to
2 read as follows:

3 5. Applications for joint service program grants may be made
4 covering any or all of the following areas of governmental service:

5 a. joint assessment and collection of taxes;

6 b. joint maintenance of municipal records and statistics and
7 electronic data processing;

8 c. joint building, housing and plumbing code inspection and
9 enforcement;

10 d. joint solid waste collection and disposal *or recycling;*

11 e. joint air pollution control inspection and enforcement;

12 f. joint welfare and social service programs;

13 g. joint maintenance and administration of parks and recre-
14 ational and cultural facilities;

15 h. joint maintenance of roads, public works and beaches;

16 i. joint fire departments (Any intermunicipal volunteer depart-
17 ment or company shall be eligible to apply pursuant to section 4

18 of this act, except that any intermunicipal volunteer fire program
19 shall provide for the consolidation of all companies within the

20 municipalities served. Such consolidation shall in no way be
21 deemed to affect municipal aid to fire companies under N. J. S.

22 40:14-34. For purposes of such aid, the consolidated company

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

23 shall be eligible for the full amount of aid which its constituent
 24 companies might have received from any municipality had they
 25 remained separate entities.):

26 j. consolidation of municipal police forces or departments;

27 k. joint municipal courts;

27A *l. joint risk management services;*

28 ***[l.]** *m.* joint energy conservation services, including, but not
 29 limited to, the costs incurred by local government units in purchas-
 30 ing or renting equipment, materials and supplies, or in employing
 31 personnel, for the purposes of reducing energy consumption in
 32 buildings and properties owned by such local government units,
 33 or in providing advisory and other services in the area of energy
 34 conservation to the citizens, businesses and industries of such units.

1 2. Section 6 of P. L. 1973, c. 289 (C. 40:8B-6) is amended to
 2 read as follows:

3 6. a. No grant under this act shall be made to any joint program
 4 which has not submitted an approved plan of operations based on
 5 a feasibility study of the project conducted pursuant to this section.
 6 A 2-year grant may, however, be extended to any consolidated
 7 municipality filing an application pursuant to section 42 of the
 8 "Municipal Consolidation Act" (P. L. 1977, c. 435 C. 40:43-66.35
 9 *et seq.*). Such feasibility study shall be conducted by or under the
 10 supervision of the Department of Community Affairs, either
 11 (1) by the Department of Community Affairs or by an agency
 12 or agencies of the State of New Jersey approved by the
 13 Commissioner of Community Affairs, or (2) by a qualified
 14 third party approved by the Department of Community Affairs
 15 and by the principal executive officer of any principal executive
 16 department of State Government whose approval of such feasibility
 17 study is required by subsection b. of this section and by a majority
 18 of $\frac{2}{3}$ or more of the applicant local units, or (3) in the case of joint
 19 energy conservation services, by the Department of Energy or,
 20 in the case of joint solid waste collection, disposal or recycling,
 21 by the Department of Environmental Protection. Such plan of
 22 operations shall constitute the final element of the feasibility study
 23 when approved by the Commissioner of Community Affairs and
 24 by any and every principal executive officer of a principal executive
 24A department of State Government which exercises jurisdiction over
 24B the performance of the services to be provided jointly under the
 24C proposed program.

25 b. Any local units eligible for aid as defined in sections 3 and 4 of
 26 this act shall be eligible to apply for funds to conduct a feasibility
 27 study under the auspices of the Department of Community Affairs.

28 Application for such shall include: the names of the proposed
29 participants; certified copies of a resolution or substantially
30 similar resolutions passed by the governing bodies of the par-
31 ticipating units authorizing such application; the services for
32 which joint programs are contemplated, and the expected benefits
33 of such a joint program. The application shall be in such form
34 and shall also contain such other information as may be required
35 by the Commissioner of Community Affairs.

36 All grants for feasibility studies shall require the joint approval
37 of the Commissioner of Community Affairs and the principal execu-
38 tive officer of any and every principal executive department of State
39 Government which exercises jurisdiction over the performance of
40 the services to be provided jointly under the proposed program.

41 c. The feasibility study shall include such detailed surveys of
42 present service standards in the area to be served by the joint
43 program as may be required to establish substantial evidence that
44 a joint program would either enable provision of a needed service
45 which could not otherwise be provided, or remedy existing levels
46 of service provision, or otherwise produce better services at rela-
47 tively lower unit costs or with more efficient administration, and
48 that such joint programs would not adversely affect neighboring
49 local units, and that no neighboring local unit which might benefit
50 is being excluded from the program; provided that any such local
51 unit claiming exclusion had expressed a desire to be included in
52 the feasibility study by giving written notice of such desire to the
53 Commissioner of Community Affairs within 30 days from the date
54 on which the commissioner made public announcement of the
55 feasibility study grant.

56 d. Within 1 month of the completion of the feasibility study, the
57 Department of Community Affairs shall hold a public hearing in
58 each local unit to be included in the proposed joint program. After
59 such hearings and upon submission and approval of a plan based
60 thereon as provided in subsection a. of this section, the joint pro-
61 gram shall be eligible for aid under this act. No joint program
62 shall receive aid unless the governing bodies of all participating
63 local units have passed identically worded resolutions ratifying the
64 grant contract between the State and the participating local units.

65 If the feasibility study shall contain recommendations for
66 establishing a joint service program, within 6 months from the date
67 of the last public hearing on the feasibility study, the governing
68 body of each local unit which participated in the study shall
69 communicate in writing to the Commissioner of Community Affairs
70 stating their intentions of implementing or their specific and

71 detailed objections to implementing each recommendation made
72 in the feasibility study for establishing a joint service plan.

73 e. The Commissioner of Community Affairs shall, upon formal
74 request by the governing body or chief executive officer of any local
75 unit, cause to be made a preliminary survey as to the eligibility of
76 such local unit and any other local units for State aid under this
77 act with respect to any joint arrangements for provision of services
78 specified or suggested in such request. Such preliminary survey
79 shall be of sufficient scope and detail to enable the commissioner to
80 advise all local units concerned in the projected joint arrangement
81 whether the circumstances warrant detailed feasibility study
82 pursuant to subsections a., b., c. and d. of this section; and the
83 commissioner shall transmit formal notice of the findings and
84 conclusions of such preliminary survey to all the said local units
85 concerned.

1 3. (New section) The Department of Community Affairs, subject
2 to the availability of funds appropriated and on deposit in the
3 "economy in government loan fund" for this purpose and with
4 the approval of the State Treasurer, may advance to local units
5 qualifying for aid under this act and the act which this act amends
6 and supplements, any amount necessary for the implementation
7 of approved joint programs. The Department of Community
8 Affairs shall certify to each local unit participating in the
9 joint service program the amount so advanced. Each local unit
9A for the year following the date of such certification, and in
10 each annual budget thereafter, shall appropriate an amount
11 sufficient to repay such percentage of the total amount so certified
12 as shall be approved by the Department of Community Affairs.
13 It shall be the duty of the Division of Local Government Services
14 or the Department of Education, as the case may be, to withhold
15 approval of the budget of any local unit which does not contain
16 an appropriation required by this act until such time as such
17 appropriation is included. In those instances where the Director
18 of Local Government Services shall determine that anticipated
19 savings from the operation of joint programs are not forthcoming
20 for reasons beyond the control of the local unit, the Depart-
21 ment of Community Affairs shall be permitted to forgive repayment
22 to the State Treasurer of all or part of such amounts advanced
23 to the local units.

1 4. (New section) The Department of Community Affairs shall
2 transmit copies of all rules and regulations proposed pursuant to
3 this amendatory and supplementary act with respect to the estab-
4 lishment, management and auditing of the "economy in government

5 loan fund'' to the Joint Appropriations Committee of the Legis-
6 lature, the County and Municipal Government Committee of the
7 Senate, and the Municipal Government Committee of the General
8 Assembly, or their respective successors as designated from time
9 to time by the President of the Senate and the Speaker of the
10 General Assembly, at least 60 days prior to the promulgation
11 thereof.

12 On or before February 1 of each year, the department shall
13 report to the aforesaid committees on the implementation of this
14 amendatory and supplementary act during the last 12 preceding
15 months. Such report shall contain a complete accounting of all
16 loans made from, and all moneys repaid to, the "Economy in
17 Government Loan Fund" during such 12-month period; a brief
18 description of each joint program for which a loan was extended
19 during such 12-month period and the expected benefits therefrom;
20 a list of any loans for which repayment was forgiven during such
21 12-month period and the reasons therefor; and, any recommenda-
22 tions the department may wish to make concerning the revision
23 of this amendatory and supplementary act.

1 5. This act shall be known and may be cited as the "Economy in
2 Government Loan Fund Act."

1 6. There is hereby appropriated to the Department of Community
2 Affairs such sums as may be included in any annual or supplemental
3 appropriation act for the purpose of establishing an "economy in
4 government loan fund."

1 7. This act shall take effect immediately.

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4 government loan fund."

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STATEMENT

"This bill has two major purposes: (1) It extends the areas of governmental services for which grants can be made under the "Interlocal Services Aid Act" to include the recycling of solid waste and the providing of joint energy conservation services, and (2) It permits the Department of Community Affairs to make loans to local units which jointly provide the services enumerated in the "Interlocal Services Aid Act," including those added by this bill.

Under this bill, grants for recycling and for energy conservation services can be made only after a feasibility study by the Department of Environmental Protection in the case of recycling and by the Department of Energy in the case of energy conservation services. Loans to local units for joint services will come from an "economy in government loan fund," established with an appropriation from the State but sustained by repayment of the loans to local units. Under the loan program, each local unit must appropriate money each year to repay any loans, and the Department of Community Affairs must approve the repayment schedule. Only if anticipated savings from a joint program are not realized can the Department of Community Affairs "forgive" repayment of all or part of the amount loaned.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 481

STATE OF NEW JERSEY

DATED: NOVEMBER 16, 1981

Assembly Bill No. 481 has two major purposes: (1) It extends the areas of governmental services for which grants can be made under the "Interlocal Services Aid Act" to include the recycling of solid waste and the providing of joint energy conservation services, and (2) It permits the Department of Community Affairs to make loans to local units which jointly provide the services enumerated in the "Interlocal Services Aid Act," including those added by this bill.

Under this bill, grants for recycling and for energy conservation services can be made only after a feasibility study by the Department of Environmental Protection in the case of energy conservation services. Loans to local units for joint services will come from an "economy in government loan fund," established with an appropriation from the State but sustained by repayment of the loans to local units. Under the loan program, each local unit must appropriate money each year to repay any loans, and the Department of Community Affairs must approve the repayment schedule. Only if anticipated savings from a joint program are not realized can the Department of Community Affairs "forgive" repayment of all or part of the amount loaned.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 4, 1982

ASSEMBLY BILL NO. 481

To the Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 481 with my objections and recommendations for amendments.

The bill has two purposes: 1) it permits grants to be made under the "Interlocal Services Aid Act" for the recycling of solid waste and the providing of joint energy conservation services, and 2) it permits the Department of Community Affairs to make loans to local units which jointly provide the services enumerated in the "Interlocal Aid Act," including those added by this bill.

The purpose of this bill is commendable and we support it. However, this bill amends statutory provisions already amended by P.L. 1981, c. 73.

Accordingly, I herewith return Assembly Bill No. 481 for reconsideration and recommend that it be amended as follows:

Page 2, Section 5, line 27: Add "1. joint risk management services;"

Page 2, Section 5, line 28: Omit "1" and insert "m"

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

Harold L. Hodes

Chief of Staff, Secretary