



**INTRODUCED BILL:** Yes  
(Includes sponsor(s) statement)

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes State and Local Government Appropriations  
**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes 6/30/2015

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

end

P.L.2015, CHAPTER 95, *approved August 10, 2015*  
Senate, No. 2454 (*Third Reprint*)

1 AN ACT concerning local governments and designated as the  
2 Division of Local Government Services Modernization and  
3 Local Mandate Relief Act of '~~2014~~ 2015<sup>1</sup>, and amending and  
4 repealing various parts of the statutory law.

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

8  
9 1. N.J.S.18A:8-12 is amended to read as follows:  
10 18A:8-12. Within 15 days after the filing of the answers to the  
11 petition, the ~~commissioner of education~~ shall submit the petition  
12 and answers to a board of review consisting of the commissioner of  
13 education, as chairman, the commissioner of conservation and  
14 economic development and the director of the division of local  
15 government in the department of the treasury, which  
16 Commissioner of Education shall hold a hearing thereon at the  
17 request of any interested party and shall consider the effect of the  
18 proposed separation upon the educational and financial condition of  
19 both the new and remaining districts on the basis of the allegations  
20 of the petition and answers and of any other factors which might  
21 have been alleged in the answers as hereinbefore provided.  
22 (cf: N.J.S.18A:8-12)

23  
24 2. N.J.S.18A:8-13 is amended to read as follows:  
25 18A:8-13. Within 60 days after the receipt of the petition and  
26 answers, the ~~board of review~~ Commissioner of Education shall ~~],~~  
27 by a recorded roll call majority vote of the full membership of such  
28 board,~~]~~ grant the application and determine the amount of  
29 indebtedness, if any, to be assumed by the remaining and new  
30 districts, respectively, or deny the same.  
31 (cf: N.J.S.18A:8-13)

32  
33 3. N.J.S.18A:8-22 is amended to read as follows:  
34 18A:8-22. Upon the creation of the new district, title to all  
35 school grounds and buildings and the furnishings and equipment  
36 thereof situate therein shall vest in the board of education of that  
37 district, and such board shall thereupon assume such amount of the  
38 indebtedness of the original school district as shall have been  
39 determined upon by the ~~board of review~~ Commissioner of  
40 Education and shall pay to the board of the remaining district, at  
41 least five days before the same shall become due, the amount of the

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCU committee amendments adopted March 9, 2015.

<sup>2</sup>Senate SBA committee amendments adopted May 14, 2015.

<sup>3</sup>Assembly ASL committee amendments adopted June 18, 2015.

1 principal and interest of the indebtedness so assumed, and said  
2 principal and interest shall be paid by the board of the remaining  
3 district as and when the same becomes due and payable.  
4 (cf: N.J.S.18A:8-22)

5

6 4. Section 6 of P.L.1975, c.360 (C.18A:13-56) is amended to  
7 read as follows:

8 6. **【**Within 15 days after the filing of the answers to the  
9 petition, the**】** The Commissioner of Education shall **【**submit**】**  
10 review the petition and answers **【**to a board of review consisting of  
11 the commissioner as chairman, a member of the State Board of  
12 Education to be appointed by the president thereof, the State  
13 Treasurer or his designee and the Director of the Division of Local  
14 Government Services in the Department of Community Affairs,**】**  
15 for a determination as to whether or not the petition should be  
16 granted, and if so, the amount of indebtedness, if any, to be  
17 assumed by the remaining and the new district, or by each of the  
18 constituent districts in the event of a dissolution, upon approval of  
19 the legal voters pursuant to section 9 of P.L.1975, c.360 (C.18A:13-  
20 59) at a special school election. The **【**board of review**】**  
21 commissioner shall consider the effect of the proposed withdrawal  
22 or dissolution upon the educational and financial condition of the  
23 withdrawing and the remaining districts, or upon each of the  
24 constituent districts in the event of a dissolution, and shall schedule  
25 and hold a public hearing on the petition upon the application of  
26 any interested party. In considering the effect of the proposed  
27 withdrawal or dissolution upon the educational and financial  
28 condition of the withdrawing and remaining districts, or upon each  
29 of the constituent districts in the event of a dissolution, the **【**board  
30 of review**】** commissioner shall:

31 a. Consent to the granting of the application; or

32 b. Oppose the same because, if the same be granted

33 1. An excessive debt burden will be imposed upon the remaining  
34 districts, or the withdrawing district, or upon any of the constituent  
35 districts in the event of a dissolution;

36 2. An efficient school system cannot be maintained in the  
37 remaining districts or the withdrawing district, or in any of the  
38 constituent districts in the event of a dissolution, without excessive  
39 costs;

40 3. Insufficient pupils will be left in the remaining districts, or  
41 in any of the constituent districts in the event of a dissolution, to  
42 maintain a properly graded school system; or

43 4. Any other reason, which it may deem to be sufficient; or

44 c. Request that if the petition be granted, the amount of debt  
45 which the remaining districts, or any of the constituent districts in  
46 the event of a dissolution, would be required to assume, calculated  
47 as hereinbefore provided, be reduced for the reason that--

1       1. Such amount of indebtedness, together with all other  
2 indebtedness of the municipalities or school districts would be  
3 excessive;

4       2. The amount of expenditure for debt service which would be  
5 required would be so great that sufficient funds would not be  
6 available for current expenses without excessive taxation; or

7       3. Such amount of indebtedness is inequitable in relation to the  
8 value of the property to be acquired by the remaining districts, or by  
9 any of the constituent districts in the event of a dissolution, and  
10 would materially impair the credit of the municipalities or such  
11 districts and the ability to pay punctually the principal and interest  
12 of their debt and to supply such essential educational facilities and  
13 public improvements and services as might reasonably be  
14 anticipated would be required of them.

15       The **【board of review】** commissioner shall make **【its】** findings  
16 and render a determination **【**, by the recorded vote of at least three  
17 of the four members of the board,**】** within 60 days of the receipt of  
18 the petition and answers.

19 (cf: P.L.1993, c.255, s.5)

20

21       5. Section 11 of P.L.1975, c.360 (C.18A:13-61) is amended to  
22 read as follows:

23       11. The withdrawing district and the remaining districts, or each  
24 constituent district in the event of a dissolution, shall take title to  
25 and control of all school grounds and buildings, and the furnishings  
26 and equipment therein, other than those which had been rotated or  
27 shared among the regional schools, situated in their respective  
28 districts on the effective date of withdrawal or dissolution as  
29 established by the commissioner. The county superintendent shall  
30 allot a fair proportion of the shared or rotated furnishings and  
31 equipment to the withdrawing district or to each of the constituent  
32 districts in the event of a dissolution.

33       Upon the assumption of title, each board shall also assume such  
34 amount of the indebtedness of the original regional school district  
35 as shall have been determined by the **【board of review】**  
36 commissioner. In the event of a withdrawal, the withdrawing  
37 district shall pay to the regional board of education, at least five  
38 days before it becomes due, the amount of the principal and interest  
39 of the assumed indebtedness; such principal and interest shall be  
40 paid by the regional board, together with such amount due on its  
41 assumed indebtedness, at and when it becomes due and payable. In  
42 the event of a dissolution, the county superintendent and **【board of**  
43 **review】** commissioner, in determining the amount of indebtedness  
44 to be assumed by each constituent district, shall give due regard to  
45 the value of school buildings and grounds being conveyed to the

1 constituent district in which those buildings and grounds are  
2 located.

3 (cf: P.L.1993, c.255, s.10)

4

5 6. Section 6 of P.L.1989, c.90 (C.18A:13-71) is amended to  
6 read as follows:

7 6. **【Within 15 days after the filing of the answers to the**  
8 **petition, the】** The Commissioner of Education shall **【submit】**  
9 review the petition and answers **【to a board of review consisting of**  
10 **the commissioner, as chairman, the State Treasurer or his designee**  
11 **and the Director of the Division of Local Government Services in**  
12 **the Department of Community Affairs,】** for a determination as to  
13 whether or not the petition should be granted, and if so, the amount  
14 of indebtedness, if any, to be assumed by the withdrawing  
15 municipality and the all purpose regional district upon approval of  
16 the legal voters of the withdrawing municipality and the remaining  
17 constituent municipalities at a special school election. The **【board**  
18 **of review】** commissioner shall consider the effect of the proposed  
19 withdrawal upon the educational and financial condition of the  
20 withdrawing municipality and the all purpose regional district and  
21 shall schedule and hold a public hearing on the petition upon the  
22 application of any interested party. In considering the effect of the  
23 proposed withdrawal upon the educational and financial condition  
24 of the withdrawing and remaining municipalities , the **【board of**  
25 **review】** commissioner shall:

26 a. Consent to the granting of the application;

27 b. Oppose the granting of the application because, if it is  
28 granted:

29 (1) An excessive debt burden will be imposed upon the  
30 withdrawing municipality and regional district;

31 (2) An efficient school system cannot be maintained in the all  
32 purpose regional district or the withdrawing municipality without  
33 excessive costs;

34 (3) Insufficient pupils will be left in the all purpose regional  
35 district to maintain a properly graded school system; or

36 (4) Any other reason, which it may deem to be sufficient; or

37 c. Request that if the petition is granted, the amount of debt  
38 which the regional district would be required to assume, calculated  
39 as hereinbefore provided, be reduced for the reason that:

40 (1) The amount of indebtedness, together with all other  
41 indebtedness of the constituent municipalities of the all purpose  
42 regional district would be excessive;

43 (2) The amount of expenditure for debt service which would be  
44 required would be so great that sufficient funds would not be  
45 available for current expenses without excessive taxation; or

46 (3) The amount of indebtedness is inequitable in relation to the  
47 value of the property to be acquired by the all purpose regional

1 district and would materially impair the credit of the constituent  
2 municipalities of the district, and the ability to pay punctually the  
3 principal and interest of their debt and so supply the essential  
4 educational facilities and public improvements and services that  
5 might reasonably be anticipated would be required of them.

6 The **【board of review】** commissioner shall make **【its】** findings  
7 and render a determination **【, by the recorded vote of at least two of**  
8 **the three members of the board,】** within 60 days of the receipt of  
9 the petition and answers.  
10 (cf: P.L.1989, c.90, s.6)

11

12 7. Section 12 of P.L.1989, c.90 (C.18A:13-77) is amended to  
13 read as follows:

14 12. The new district and the all purpose regional district shall  
15 take title to and control of all school grounds and buildings, and the  
16 furnishings and equipment therein, other than those which had been  
17 rotated or shared among the regional schools, situated in their  
18 respective districts on the effective date of withdrawal as  
19 established by the commissioner. The county superintendent shall  
20 allot a fair proportion of the shared or rotated furnishings and  
21 equipment to the new district.

22 Upon the assumption of title, each board shall also assume the  
23 amount of the indebtedness of the original all purpose regional  
24 district as determined by the **【board of review】** commissioner. The  
25 new district shall pay to the regional board of education, at least  
26 five days before it becomes due, the amount of the principal and  
27 interest of the assumed indebtedness. The principal and interest  
28 shall be paid by the regional board, together with the amount due on  
29 its assumed indebtedness, as and when it becomes due and payable.  
30 (cf: P.L.1989, c.90, s.12)

31

32 8. Section 1 of P.L.1964, c.81 (C.39:10A-1) is amended to read  
33 as follows:

34 1. a. When the State or any county, county park commission,  
35 municipality or any authority created by any thereof, hereinafter  
36 referred to as a "public agency," shall have taken possession of a  
37 motor vehicle found abandoned, such taking of possession shall be  
38 reported immediately to

39 (1) The Chief Administrator of the Motor Vehicle Commission  
40 on a form prescribed by the administrator, for verification of  
41 ownership and

42 (2) The National Insurance Crime Bureau.

43 (3) Upon receipt of verification of ownership of the vehicle  
44 from the administrator, the public agency shall within three  
45 business days provide notice of possession of the vehicle to the  
46 owner of record and the holder of any security interest filed with the  
47 administrator by telephone, mail, facsimile or electronically. The  
48 public agency may assess the person claiming the vehicle, be it the

1 owner of record or the holder of any security interest, for the actual  
2 costs of providing the notice required under this paragraph.

3 (4) The public agency shall also within three business days  
4 notify the person storing the abandoned motor vehicle. The notice  
5 shall be given in the same manner as in the case of notification of  
6 the owner of record and the security interest holder and shall  
7 include the name and address of the owner of record and the holder  
8 of any security interest in the stored motor vehicle.

9 (5) Upon receipt of the notice required by paragraph (4) of this  
10 subsection, the person storing the abandoned motor vehicle shall  
11 provide notice to the owner of record and to any security interest  
12 holder.

13 (a) The notice shall be by first class mail, with a certificate of  
14 mailing, and shall include a schedule of the costs imposed for  
15 storing the motor vehicle and instructions explaining how the owner  
16 of record or the security interest holder may claim the stored motor  
17 vehicle.

18 (b) Except as provided in subparagraph (c) of this paragraph, if  
19 the person storing the motor vehicle fails to provide this notice to  
20 the owner of record and to the security interest holder within 30  
21 days of the date on which the storer of the vehicle received the  
22 notice required under paragraph (4) from the public agency, the  
23 maximum amount that person may charge the owner of record or  
24 the security interest holder for storing that motor vehicle shall be  
25 \$750, provided that the owner of record or security interest holder  
26 submits a proper claim for the vehicle not later than the 30th day  
27 following the date the notice is delivered from the public agency to  
28 the person storing the motor vehicle.

29 (c) When a vehicle is abandoned due to the death or  
30 incapacitation of the driver or any passenger, the person storing the  
31 vehicle shall charge the owner of record or the security interest  
32 holder no more than \$100 for the first 72 hours after the vehicle is  
33 placed on the premises.

34 (d) If the owner of record or security interest holder fails to  
35 submit a proper claim for the vehicle on or before that 30th day, the  
36 person storing the motor vehicle may charge the security interest  
37 holder reasonable costs for the removal and storage of the motor  
38 vehicle. If the notice is properly provided by the person storing the  
39 motor vehicle, that person may charge the owner of record or the  
40 security interest holder reasonable costs for the removal and storage  
41 of the motor vehicle from the date the person removed and stored  
42 the motor vehicle.

43 (e) The public agency may assess the person storing the  
44 abandoned motor vehicle, and the person storing the abandoned  
45 motor vehicle may assess the security interest holder, for the actual  
46 costs of providing the notices required under paragraphs (4) and (5)  
47 of this subsection.

1       b. When such motor vehicle which has been ascertained not to  
2 be stolen and to be one which can be certified for a junk title  
3 certificate under section 3 of P.L.1964, c.81 (C.39:10A-3) shall  
4 have remained unclaimed by the owner or other person having a  
5 legal right thereto for a period of 15 business days, even if at that  
6 time the owner has not been identified as a result of efforts to make  
7 identification by the public agency or the Motor Vehicle  
8 Commission, the same may be sold at auction in a public place. If  
9 the certified motor vehicle is sold at auction prior to identification  
10 of the owner, the public agency shall document the condition of the  
11 motor vehicle in writing and with photographs prior to the sale;  
12 document the amount obtained from the sale of the motor vehicle;  
13 and notify the owner, if his name and address are identified after the  
14 sale, of the actions taken by the public agency to dispose of the  
15 motor vehicle.

16       c. When a motor vehicle which cannot be certified for a junk  
17 title certificate under section 3 of P.L.1964, c.81 (C.39:10A-3)  
18 remains unclaimed by the owner or other person having a legal right  
19 thereto for a period of 20 business days, the motor vehicle may be  
20 sold at auction in a public place, but shall be sold no later than 90  
21 business days after the public agency takes possession of the  
22 vehicle **】, except that a waiver of the 90-day limit may be obtained**  
23 **for good cause from the Division of Local Government Services in**  
24 **the Department of Community Affairs】.**

25       d. The public agency shall give notice of a sale conducted  
26 pursuant to subsection b. or c. of this section, by certified mail, to  
27 the owner, if his name and address be known and to the holder of  
28 any security interest filed with the administrator, and by publication  
29 in a form to be prescribed by the administrator by one insertion, at  
30 least five days before the date of the sale, in one or more  
31 newspapers published in this State and circulating in the  
32 municipality in which such motor vehicle is held.

33 (cf: P.L.2008, c.107, s.2)

34

35       9. Section 2 of P.L.1998, c.115 (C.40:56-71.2) is amended to  
36 read as follows:

37       2. With the exception of a municipality in which an urban  
38 enterprise zone has been designated, any municipality which has  
39 adopted or adopts an ordinance authorizing the establishment of a  
40 special improvement district pursuant to section 7 of P.L.1972,  
41 c.134 (C.40:56-71) may, by ordinance, designate all or any portion  
42 of that district which contains primarily businesses providing retail  
43 goods and services as a "downtown business improvement zone."

44       **【Within 10 business days of the adoption of an ordinance**  
45 **pursuant to this section, the municipal clerk shall forward a copy of**  
46 **the ordinance to the Director of the Division of Local Government**  
47 **Services in the Department of Community Affairs.】**

48 (cf: P.L.1998, c.115, s.2)

1       10. Section 22 of P.L.1984, c.151 (C.40:56-88) is amended to  
2 read as follows:

3       22. The district management corporation shall cause an annual  
4 audit of its books, accounts and financial transactions to be made  
5 and filed with the governing body of the municipality, and for that  
6 purpose the corporation shall employ a certified public accountant  
7 of New Jersey. The annual audit shall be completed and filed with  
8 the governing body within four months after the close of the fiscal  
9 year of the corporation **】, and a certified duplicate copy of the audit**  
10 **shall be filed with the Director of the Division of Local Government**  
11 **Services in the Department of Community Affairs within five days**  
12 **of the filing of the audit with the governing body of the**  
13 **municipality**】.****

14 (cf: P.L.1984, c.151, s.22)

15

16       11. Section 3 of P.L.1981, c.547 (C.40:68A-43.1) is amended to  
17 read as follows:

18       3. In accordance with rules and regulations which the Local  
19 Finance Board is hereby authorized to adopt, municipal port  
20 authorities created pursuant to P.L.1960, c.192 (C.40:68A-29 et  
21 seq.) are subject to the following provisions:

22       (a) Every authority shall be required to submit an annual budget  
23 to the **【Local Finance Board】** Director of the Division of Local  
24 Government Services in the Department of Community Affairs for  
25 approval.

26       (b) The issuance of any obligations of an authority, agreements  
27 regarding municipal guaranties of authority bonds, financing  
28 agreements entered into by an authority, and all leases, sales or  
29 dispositions of real property made by an authority shall be subject  
30 to the approval of the Local Finance Board.

31 (cf: P.L.1981, c.547, s.3)

32

33       <sup>3</sup>**【12. N.J.S.40A:2-22 is amended to read as follows:**

34       40A:2-22. The governing body of the local unit shall determine  
35 the period of usefulness of any purpose according to its reasonable  
36 life computed from the date of the bonds, which period shall not be  
37 greater than the following:

38       a. Buildings and structures.

39       1. Bridges, including retaining walls and approaches, or  
40 permanent structures of brick, stone, concrete or metal, or similar  
41 durable construction, 30 years.

42       2. Buildings, including the original furnishings and equipment  
43 therefor:

44       Class A: A building, of which all walls, floors, partitions, stairs  
45 and roof are wholly of incombustible material, except the window  
46 frames, doors, top flooring and wooden handrails on the stairs, 40  
47 years;

- 1 Class B: A building, the outer walls of which are wholly of  
2 incombustible material, except the window frames and doors, 30  
3 years;
- 4 Class C: A building which does not meet the requirements of  
5 Class A or Class B, 20 years.
- 6 3. Buildings or structures acquired substantially reconstructed  
7 or additions thereto, one-half the period fixed in this subsection for  
8 such buildings or structures.
- 9 4. Additional furnishings, five years.
- 10 b. Marine improvements.
- 11 1. Harbor improvements, docks or marine terminals, 40 years.
- 12 2. Dikes, bulkheads, jetties or similar devices of stone,  
13 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 14 c. Additional equipment and machinery.
- 15 1. Additional or replacement equipment and machinery, 15  
16 years.
- 17 2. Voting machines, 15 years.
- 18 3. Information technology and telecommunications equipment,  
19 7 years, except that for items with a unit cost of less than \$5,000, 5  
20 years.
- 21 d. Real property.
- 22 1. Acquisition for any public purpose of lands or riparian  
23 rights, or both, and the original dredging, grading, draining or  
24 planting thereof, 40 years.
- 25 2. Improvement of airport, cemetery, golf course, park,  
26 playground, 15 years.
- 27 3. Stadia of concrete or other incombustible materials, 20  
28 years.
- 29 e. Streets or thoroughfares.
- 30 1. Elimination of grade crossings, 35 years.
- 31 2. Streets or roads:
- 32 Class A: Rigid pavement. A pavement of not less than eight  
33 inches of cement concrete or a six-inch cement concrete base with  
34 not less than three-inch bituminous concrete surface course, or  
35 equivalent wearing surface, 20 years.
- 36 Flexible pavement. A pavement not less than 10 inches in depth  
37 consisting of five-inch macadam base, three-inch modified  
38 penetration macadam and three-inch bituminous concrete surface  
39 course or other pavements of equivalent strength, in accordance  
40 with the findings of the American Association of State Highway  
41 Officials (AASHO) Road Test, 20 years.
- 42 Class B: Mixed surface-treated road. An eight-inch surface of  
43 gravel, stone or other selected material under partial control mixed  
44 with cement or lime and fly ash, six inches in compacted thickness  
45 with bituminous surface treatment and cover, 10 years.
- 46 Bituminous penetration road. A five-inch gravel or stone base  
47 course and a three-inch course bound with a bituminous or  
48 equivalent binder, 10 years.

1 Class C: Mixed bituminous road. An eight-inch surface of  
2 gravel, stone, or other selected material under partial control mixed  
3 with bituminous material one inch or more in compacted thickness,  
4 five years.

5 Penetration macadam road. A road of sand, gravel or water-  
6 bound macadam, or surfacing with penetration macadam, five years.

7 3. Sidewalks, curbs and gutters of stone, concrete or brick, 10  
8 years.

9 The period of usefulness in this subsection shall apply to  
10 construction and reconstruction of streets and thoroughfares.

11 f. Utilities and municipal systems.

12 1. Sewerage system, whether sanitary or storm water, water  
13 supply or distribution system, 40 years.

14 2. Electric light, power or gas systems, garbage, refuse or ashes  
15 incinerator or disposal plant, 25 years.

16 3. Communication and signal systems, 10 years.

17 4. House connections to publicly-owned gas, water or sewerage  
18 systems from the service main in the street to the curb or property  
19 lines where not part of original installation, five years.

20 g. Vehicles and apparatus.

21 1. Fire engines, apparatus and equipment, when purchased  
22 new, but not fire equipment purchased separately, 10 years.

23 2. Automotive vehicles, including original apparatus and  
24 equipment **[(other than passenger cars and station wagons)]**, when  
25 purchased new, five years.

26 3. Major repairs, reconditioning or overhaul of fire engines and  
27 apparatus, ambulances, rescue vehicles, and similar public safety  
28 vehicles **[(other than passenger cars and station wagons)]** which  
29 may reasonably be expected to extend for at least five years the  
30 period of usefulness thereof, five years.

31 h. The closure of a sanitary landfill facility utilized, owned or  
32 operated by a county or municipality, 15 years; provided that the  
33 closure has been approved by the Board of Public Utilities and the  
34 Department of Environmental Protection. For the purposes of this  
35 subsection "closure" means all activities associated with the design,  
36 purchase or construction of all measures required by the  
37 Department of Environmental Protection, pursuant to law, in order  
38 to prevent, minimize or monitor pollution or health hazards  
39 resulting from sanitary landfill facilities subsequent to the  
40 termination of operations at any portion thereof, including, but not  
41 necessarily limited to, the costs of the placement of earthen or  
42 vegetative cover, and the installation of methane gas vents or  
43 monitors and leachate monitoring wells or collection systems at the  
44 site of any sanitary landfill facility.

45 i. (Deleted by amendment, P.L.2007, c.62.)

46 j. The prefunding of a claims account for environmental  
47 liability claims by an environmental impairment liability insurance

1 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.  
2 (cf: P.L.2007, c.62, s.17)]<sup>3</sup>

3

4 <sup>3</sup>[13.] 12.<sup>3</sup> N.J.S.40A:2-26 is amended to read as follows:

5 40A:2-26. Maturities of all bonds shall be as determined by  
6 bond ordinance or by subsequent resolution and within the  
7 following limitations:

8 a. All bonds shall mature within the period or average period  
9 of usefulness determined in the bond ordinance.

10 b. All bonds shall mature in annual installments, the first of  
11 which shall be payable not more than one year from the date of the  
12 bonds. No annual installment shall exceed by more than 100% the  
13 amount of the smallest prior installment.

14 c. The first installment of bonds to finance a municipal public  
15 utility may be made payable not later than the end of the second  
16 year's operation, computed from the estimated date of completion,  
17 as fixed in the project report submitted pursuant to this chapter.

18 d. Bonds to finance that part of the cost of a local improvement  
19 which is to be assessed on property shall mature in annual  
20 installments not exceeding in number the number of annual  
21 installments or average thereof fixed in the bond ordinance for the  
22 payment of special assessments. The first annual installment of  
23 such bonds shall be payable not more than two years from the date  
24 of the bonds, and no annual installment shall exceed the amount of  
25 the smallest prior installment.

26 e. A governing body which has concluded that the limitations  
27 as to maturities or amounts of annual installments will adversely  
28 affect the financial position of the local unit, may make written  
29 application to the **[local government board]** Local Finance Board  
30 setting forth its conclusion and the reasons therefor and the desired  
31 maturities or the amounts of annual installments for bonds about to  
32 be issued. If the **[local government board]** Local Finance Board  
33 finds such conclusion to be well founded, it may, by order, fix the  
34 maturities or amounts of annual installments of such bonds as  
35 desired by the local unit, or fix any such other maturities or  
36 amounts of annual installments which the circumstances warrant.  
37 Application to the Local Finance Board shall not be required if the  
38 maturities or the amounts of annual installments have been  
39 determined by <sup>2</sup>(1)<sup>2</sup> the "New Jersey Environmental Infrastructure  
40 Trust," created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-  
41 4), <sup>2</sup>[for debts issued] in connection with a loan made<sup>2</sup> by the trust  
42 <sup>2</sup>or (2) the State, acting by and through the Department of  
43 Environmental Protection, in connection with a loan made by the  
44 State, in each case relating to the financing of one or more  
45 environmental infrastructure projects as defined in section 3 of  
46 P.L.1985, c.334 (C.58:11B-3)<sup>2</sup>.

1 f. The governing body, by resolution, may provide for a single  
2 and combined issue of bonds not exceeding the aggregate amount of  
3 bonds authorized by two or more bond ordinances. The bonds of  
4 such issue shall mature within the average period of usefulness  
5 which shall be determined in said resolution, taking into  
6 consideration the respective amount of bonds authorized by each of  
7 the bond ordinances and the period or average period of usefulness  
8 therein determined. The provisions of this chapter applicable to the  
9 sale and issuance of a single issue of bonds shall apply to the sale  
10 and issuance of such combined issue of bonds.

11 g. The governing body, by resolution, may allow the  
12 adjustment of, or otherwise delegate to a finance officer the  
13 authority to adjust, the maturity schedule of the bonds, up to 24  
14 hours prior to the time advertised for the receipt of bids and within  
15 24 hours after the award of bids; provided that no maturity schedule  
16 adjustment shall exceed 10% of the principal for any maturity with  
17 the aggregate adjustment to maturity not to exceed 10% of the  
18 principal for the overall issue. When an adjustment has been made  
19 to a maturity schedule previously approved by the **【local finance**  
20 **board】** Local Finance Board, a copy of the final maturity schedule  
21 which meets or complies with the limitations in this subsection shall  
22 be filed with the board within 30 days of the sale and shall be  
23 conclusively deemed to have been approved by the board.

24 (cf: P.L.2003, c.15, s.3)

25

26 <sup>3</sup>**【14.】** 13.<sup>3</sup> Section 4 of P.L.1976, c.38 (C.40A:3-4) is amended  
27 to read as follows:

28 4. a. Bonds issued by any municipality pursuant to provisions  
29 of this act shall be "qualified bonds" and shall be entitled to the  
30 benefit of the provisions of this act.

31 b. Whenever the governing body of a municipality determines,  
32 by passage of a bond ordinance upon first reading, to issue bonds  
33 for any lawful purpose, it may file an application and a certified  
34 copy of the ordinance as passed on first reading with the **【local**  
35 **finance board】** Local Finance Board to qualify the bonds pursuant  
36 to the provisions of this act. Upon receipt of any such application,  
37 the **【local finance board】** Local Finance Board shall cause an  
38 investigation to be made, taking into consideration such factors as  
39 the need for the facilities to be financed from the proceeds of such  
40 proposed qualified bonds, the ability of the municipality to supply  
41 other essential public improvements and services and during the  
42 ensuing 10 years to pay punctually the principal and interest on its  
43 debts, the reasonableness of the amounts to be expended for each of  
44 the purposes or improvements to be financed pursuant to such  
45 bonds, and such other factors as the **【local finance board】** Local  
46 Finance Board may deem necessary.

1 c. If such investigation shows to the satisfaction of the **【local**  
2 **finance board】** Local Finance Board that such municipality should  
3 be entitled to issue qualified bonds pursuant to the provisions of this  
4 act, the **【local finance board】** Local Finance Board may by  
5 resolution determine that such municipality is entitled to issue  
6 qualified bonds. In considering any ordinance submitted to it and  
7 before endorsing its consent thereon, the **【local finance board】**  
8 Local Finance Board may require the governing body of any  
9 municipality to adopt resolutions restricting or limiting any future  
10 proceedings with respect to the authorization of bonds or other  
11 matters deemed by the **【local finance board】** Local Finance Board  
12 to affect any estimate made or to be made by it in accordance with  
13 subsection b. **【hereof】** of this section. Every resolution so adopted  
14 shall constitute a valid and binding obligation of such municipality  
15 running to and enforceable by, and releasable by the **【local finance**  
16 **board】** Local Finance Board.

17 d. Within 60 days after the submission to it of an application  
18 made in accordance with subsection b. of this section, the **【local**  
19 **finance board】** Local Finance Board shall cause its consent to be  
20 endorsed upon the ordinance authorizing the issuance of qualified  
21 bonds, if it shall be satisfied and record by resolution that the  
22 municipality is entitled to issue qualified bonds. If the **【local**  
23 **finance board】** Local Finance Board is not so satisfied, it shall  
24 cause its disapproval to be endorsed upon such ordinance within  
25 said period of 60 days.

26 e. If the governing body of a municipality shall determine by  
27 resolution that a maturity schedule for its qualified bonds, other  
28 than the maturity schedule approved by the **【local finance board】**  
29 Local Finance Board pursuant to subsection c. of this section [3], is  
30 in the best interest of said municipality, it may make application to  
31 the **【local finance board】** Local Finance Board setting forth such  
32 belief and the grounds therefor and requesting approval of a  
33 schedule of maturities for such qualified bonds set forth in the  
34 application. Within 60 days after submission to the **【local finance**  
35 **board】** Local Finance Board of such application, the **【local finance**  
36 **board】** Local Finance Board shall cause its approval to be endorsed  
37 thereon if it shall be satisfied, and shall record by resolution its  
38 findings, that the belief set forth in such application is well founded  
39 and that the issuance of the bonds pursuant to the revised maturity  
40 schedule in such application would not materially impair the credit  
41 of the municipality or substantially reduce its ability, during the  
42 ensuing 10 years, to pay punctually the principal of and interest on  
43 its debts and supply essential public improvements and services. If  
44 the **【local finance board】** Local Finance Board is not so satisfied, it  
45 shall cause its disapproval to be endorsed on such copy within said  
46 period of 60 days.

1       f. A municipality that has issued qualified bonds shall not be  
2 required to obtain the approval of the Local Finance Board prior to  
3 issuing any other bonds solely by reason of having previously  
4 issued qualified bonds, unless such approval is otherwise required  
5 by law.

6 (cf: P.L.1991, c.180, s.3)

7  
8       <sup>3</sup>**[15.] 14.**<sup>3</sup> N.J.S.40A:4-8 is amended to read as follows:

9       40A:4-8. The public hearing shall be held at the time and place  
10 specified in the advertisement thereof, but may be adjourned from  
11 time to time until the hearing is closed.

12       The budget shall be read, at the public hearing in full, or it may  
13 be read by its title, if

14       1. At least one week prior to the date of the hearing <sup>2</sup>and at the  
15 hearing<sup>2</sup>, a complete copy of the approved budget,

16       **[a. shall be made available for public inspection, in the case of a**  
17 **county budget, in each free public library, if any, in each**  
18 **municipality of the county and in the free county libraries or**  
19 **regional libraries of the county or, in the case of a municipal**  
20 **budget, in the free public library, if any, of the municipality and in**  
21 **the free county libraries or regional libraries located in the**  
22 **municipality or, if no county libraries or regional libraries are**  
23 **located in the municipality, the county or regional library of the**  
24 **county in which the municipality is located, and the public officer**  
25 **delegated the responsibility for delivering copies of the approved**  
26 **budget to such libraries shall forward to the governing body an**  
27 **attestation that each such delivery was made, and**

28       **b. is made available to each person requesting the same, during**  
29 **said week and during the public hearing]**

30       <sup>2</sup>a. shall be made available for public inspection <sup>2</sup>, and

31       b. shall be made available to each person upon request<sup>2</sup>, and

32       2. The governing body shall, by resolution passed by not less  
33 than a majority of the full membership, determine that the budget  
34 shall be read by its title and declare that the conditions set forth in  
35 **[subsections 1.a. and 1.b.] subsection 1.** of this section have been  
36 met.

37       After closing the hearing, the governing body may adopt the  
38 budget, by title without amendments, or may approve amendments  
39 as provided in N.J.S.40A:4-9 before adoption.

40 (cf: P.L.1995, c.259, s.9)

41  
42       <sup>3</sup>**[16.] 15.**<sup>3</sup> N.J.S.40A:4-10 is amended to read as follows:

43       40A:4-10. No budget or amendment thereof shall be adopted  
44 unless the director shall have previously certified his approval  
45 thereof. Final adoption shall be by resolution adopted by a majority  
46 of the full membership of the governing body, and may be by title  
47 where the procedures required by N.J.S.40A:4-8 and N.J.S.40A:4-9

1 or section 12 of P.L.1995, c.259 (C.40A:4-6.1), as applicable, have  
2 been followed.

3 The budget shall be adopted in the case of a county not later than  
4 February 25, and in the case of a municipality not later than March  
5 20 of the calendar fiscal year or September 20 of the State fiscal  
6 year, except that the governing body may adopt the budget at any  
7 time within 10 days after the director shall have certified his  
8 approval thereof and returned the same, if such certification shall be  
9 later than the date of the advertised hearing.

10 If, in the case of a municipality which operates on the State fiscal  
11 year, the governing body fails to adopt the budget within the  
12 permitted time, the chief financial officer of the local unit shall so  
13 notify the director the next working day after the expiration of the  
14 permitted time.

15 Copies of the budget, as adopted, in such form and in such  
16 quantity as determined by the Local Finance Board, shall be  
17 transmitted to the director **],** and made available in print for public  
18 inspection at the local library, **]** within three days after adoption.

19 Upon adoption, the budget shall constitute an appropriation for  
20 the purposes stated therein and an authorization of the amount to be  
21 raised by taxation for the purposes of the local unit.

22 The adopted budget shall be provided for public inspection on  
23 the local unit's website, if one exists, or, if one does not exist, the  
24 budget shall be provided for public inspection on the website of the  
25 Department of Community Affairs, and made available online and  
26 in print as required by this section in a "user-friendly" summary  
27 format using plain language. In addition to the current year adopted  
28 budget, the local unit's adopted budgets of the immediately  
29 preceding three budget years also shall be provided for public  
30 inspection on the local unit's website, if one exists, or, if one does  
31 not exist, those budgets also shall be provided for public inspection  
32 on the website of the Department of Community Affairs. Any  
33 adopted budget posted online pursuant to this section shall remain  
34 posted online for the duration of the local budget year. The Local  
35 Finance Board shall promulgate a "user-friendly," plain language  
36 summary format for use by local units for this purpose pursuant to  
37 section 39 of P.L.2007, c.63 (C.40A:5-48).

38 (cf: P.L.2011, c.7, s.1)

39

40 <sup>2</sup>**]**17. Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is amended to  
41 read as follows:

42 3. In the preparation of its budget a municipality shall limit any  
43 increase in said budget to 2.5% or the cost-of-living adjustment,  
44 whichever is less, over the previous year's final appropriations  
45 subject to the following exceptions:

46 a. (Deleted by amendment, P.L.1990, c.89.)

47 b. Capital expenditures, including appropriations for current  
48 capital expenditures, whether in the capital improvement fund or as

1 a component of a line item elsewhere in the budget, provided that  
2 any such current capital expenditure would be otherwise bondable  
3 under the requirements of N.J.S.40A:2-21 and **[40A:2-22]**  
4 N.J.S.40A:2-22;

5 c. (1) An increase based upon emergency temporary  
6 appropriations made pursuant to N.J.S.40A:4-20 to meet an urgent  
7 situation or event which immediately endangers the health, safety or  
8 property of the residents of the municipality, and over which the  
9 governing body had no control and for which it could not plan and  
10 emergency appropriations made pursuant to N.J.S.40A:4-46.  
11 Emergency temporary appropriations and emergency appropriations  
12 shall be approved by at least two-thirds of the governing body and  
13 by the Director of the Division of Local Government Services, and  
14 shall not exceed in the aggregate 3% of the previous year's final  
15 current operating appropriations.

16 (2) (Deleted by amendment, P.L.1990, c.89.)

17 The approval procedure in this subsection shall not apply to  
18 appropriations adopted for a purpose referred to in subsection d. or  
19 j. **[below]** of this section;

20 d. All debt service, including that of a Type I school district;

21 e. Upon the approval of the Local Finance Board in the  
22 Division of Local Government Services, amounts required for  
23 funding a preceding year's deficit;

24 f. Amounts reserved for uncollected taxes;

25 g. (Deleted by amendment, P.L.1990, c.89.)

26 h. Expenditure of amounts derived from new or increased  
27 construction, housing, health or fire safety inspection or other  
28 service fees imposed by State law, rule or regulation or by local  
29 ordinance;

30 i. Any amount approved by any referendum;

31 j. Amounts required to be paid pursuant to (1) any contract  
32 with respect to use, service or provision of any project, facility or  
33 public improvement for water, sewerage, parking, senior citizen  
34 housing or any similar purpose, or payments on account of debt  
35 service therefor, between a municipality and any other municipality,  
36 county, school or other district, agency, authority, commission,  
37 instrumentality, public corporation, body corporate and politic or  
38 political subdivision of this State; (2) the provisions of article 9 of  
39 P.L.1968, c.404 (C.13:17-60 through **[13:17-76]** C.13:17-76) by a  
40 constituent municipality to the intermunicipal account; (3) any lease  
41 of a facility owned by a county improvement authority when the  
42 lease payment represents the proportionate amount necessary to  
43 amortize the debt incurred by the authority in providing the facility  
44 which is leased, in whole or in part; and (4) any repayments under a  
45 loan agreement entered into in accordance with the provisions of  
46 section 5 of P.L.1992, c.89 (C.40:48-2.5b);

47 k. (Deleted by amendment, P.L.1987, c.74.)

- 1 l. Appropriations of federal, county, independent authority or  
2 State funds, or by grants from private parties or nonprofit  
3 organizations for a specific purpose, and amounts received or to be  
4 received from such sources in reimbursement for local  
5 expenditures. If a municipality provides matching funds in order to  
6 receive the federal, county, independent authority or State funds, or  
7 the grants from private parties or nonprofit organizations for a  
8 specific purpose, the amount of the match which is required by law  
9 or agreement to be provided by the municipality shall be excepted;
- 10 m. (Deleted by amendment, P.L.1987, c.74.)
- 11 n. (Deleted by amendment, P.L.1987, c.74.)
- 12 o. (Deleted by amendment, P.L.1990, c.89.)
- 13 p. (Deleted by amendment, P.L.1987, c.74.)
- 14 q. (Deleted by amendment, P.L.1990, c.89.)
- 15 r. Amounts expended to fund a free public library established  
16 pursuant to the provisions of R.S.40:54-1 through **[40:54-29]**  
17 R.S.40:54-29, inclusive;
- 18 s. (Deleted by amendment, P.L.1990, c.89.)
- 19 t. Amounts expended in preparing and implementing a housing  
20 element and fair share plan pursuant to the provisions of P.L.1985,  
21 c.222 (C.52:27D-301 et al.) and any amounts received by a  
22 municipality under a regional contribution agreement pursuant to  
23 section 12 of **[that act]** P.L.1985, c.222 (C.52:27D-312);
- 24 u. (Deleted by amendment, P.L.2004, c.74.)
- 25 v. (Deleted by amendment, P.L.1990, c.89.)
- 26 w. (Deleted by amendment, P.L.2004, c.74.)
- 27 x. Amounts expended to aid privately owned libraries and  
28 reading rooms, pursuant to R.S.40:54-35;
- 29 y. (Deleted by amendment, P.L.1990, c.89.)
- 30 z. (Deleted by amendment, P.L.1990, c.89.)
- 31 aa. Extraordinary expenses, approved by the Local Finance  
32 Board, required for the implementation of an interlocal services  
33 agreement;
- 34 bb. Any expenditure mandated as a result of a natural disaster,  
35 civil disturbance or other emergency that is specifically authorized  
36 pursuant to a declaration of an emergency by the President of the  
37 United States or by the Governor;
- 38 cc. Expenditures for the cost of services mandated by any order  
39 of court, by any federal or State statute, or by administrative rule,  
40 directive, order, or other legally binding device issued by a State  
41 agency which has identified such cost as mandated expenditures on  
42 certification to the Local Finance Board by the State agency;
- 43 dd. Expenditures of amounts actually realized in the local  
44 budget year from the sale of municipal assets in extraordinary cases  
45 and with the permission of the Local Finance Board;
- 46 ee. Any local unit which is determined to be experiencing fiscal  
47 distress pursuant to the provisions of P.L.1987, c.75 (C.52:27D-  
48 118.24 et seq.), whether or not a local unit is an "eligible

1 municipality" as defined in section 3 of P.L.1987, c.75 (C.52:27D-  
2 118.26), and which has available surplus pursuant to the spending  
3 limitations imposed by P.L.1976, c.68 (C.40A:4-45.1 et seq.), may  
4 appropriate and expend an amount of that surplus approved by the  
5 director and the Local Finance Board as an exception to the  
6 spending limitation ; provided, however, that if the Local Finance  
7 Board has so approved appropriations and expenditures in amounts  
8 exceeding the spending limitations for a local unit in at least three  
9 consecutive years, the Local Finance Board may, upon granting  
10 such approval in the next subsequent year and finding it reasonable  
11 to not require future approvals under this exception, adjust the  
12 spending limitations applicable to a later increase in the local unit's  
13 budget to 2.5% or the cost-of-living adjustment, whichever is less,  
14 over the amount approved to be appropriated and expended in that  
15 year. Any determination approving the appropriation and  
16 expenditure of surplus as an exception to the spending limitations  
17 shall be based upon:

18 1) the local unit's revenue needs for the current local budget  
19 year and its revenue raising capacity;

20 2) the intended actions of the governing body of the local unit  
21 to meet the local unit's revenue needs;

22 3) the intended actions of the governing body of the local unit  
23 to expand its revenue generating capacity for subsequent local  
24 budget years;

25 4) the local unit's ability to demonstrate the source and  
26 existence of sufficient surplus as would be prudent to appropriate as  
27 an exception to the spending limitations to meet the operating  
28 expenses for the local unit's current budget year; and

29 5) the impact of utilization of surplus upon succeeding budgets  
30 of the local unit;

31 ff. Newly authorized operating appropriations for the municipal  
32 court or violation's bureau when approved by the vicinage Presiding  
33 Judge of the Municipal Court after consultation with the mayor and  
34 governing body of the municipality;

35 gg. (Deleted by amendment, P.L.2004, c.74.)

36 hh. (Deleted by amendment, P.L.2004, c.74.)

37 ii. Subject to the approval of the Local Finance Board,  
38 expenditures related to the cost of conducting and implementing a  
39 total property tax levy sale pursuant to section 16 of P.L.1997, c.99  
40 (C.54:5-113.5);

41 jj. Amounts expended for a length of service award program  
42 pursuant to P.L.1997, c.388 (C.40A:14-183 et al.);

43 kk. Amounts expended to provide municipal services or  
44 reimbursement amounts to multifamily dwellings for the collection  
45 and disposal of solid waste generated by the residents of the  
46 multifamily dwellings. This subsection shall cease to be operative  
47 at the end of the first local budget year in which the municipality  
48 has fully phased in its reimbursement amount expenses;

1 ll. Amounts expended by a municipality under an interlocal  
2 services agreement entered into pursuant to the "Interlocal Services  
3 Act," P.L.1973, c.208 (C.40:8A-1 et al.) entered into after the  
4 effective date of P.L.2000, c.126 (C.52:13H-21 et al.). The  
5 governing body of the municipality that will receive the service  
6 may choose to allow the amount of projected annual savings to be  
7 added to the amount of final appropriations upon which its  
8 permissible expenditures are calculated pursuant to section 2 of  
9 P.L.1976, c.68 (C.40A:4-45.2);

10 mm. Amounts expended under a joint contract pursuant to the  
11 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1  
12 et seq.) entered into after the effective date of P.L.2000, c.126  
13 (C.52:13H-21 et al.). The governing body of each participating  
14 municipality may choose to allow the amount of projected annual  
15 savings to be added to the amount of final appropriations upon  
16 which its permissible expenditures are calculated pursuant to  
17 section 2 of P.L.1976, c.68 (C.40A:4-45.2);

18 nn. (Deleted by amendment, P.L.2004, c.74.)

19 oo. Amounts appropriated in the first three years after the  
20 effective date of P.L.2003, c.92 (C.18A:7F-5b et al.) for liability  
21 insurance, workers' compensation insurance and employee group  
22 insurance;

23 pp. Amounts appropriated in the first three years after the  
24 effective date of P.L.2003, c.92 (C.18A:7F-5b et al.) for costs of  
25 domestic security preparedness and responses to incidents and  
26 threats to domestic security;

27 qq. Amounts required to be paid by a municipality pursuant to  
28 the provisions of section 4 of P.L.2007, c.311 (C.13:1E-96.5).

29 In the first full year when an existing appropriation or  
30 expenditure that is subject to budget limitations is made an  
31 exception to budget limitations, a municipality shall deduct from its  
32 final appropriations upon which its permissible expenditures are  
33 calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2),  
34 the amount which the municipality expended for that purpose  
35 during the last full budget year, or portion thereof, in which the  
36 purpose so excepted was funded from appropriations in the  
37 municipal budget.

38 In the first full year when an existing appropriation or  
39 expenditure that is not subject to budget limitations is made subject  
40 to budget limitations, a municipality shall add to its final  
41 appropriations upon which its permissible expenditures are  
42 calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2),  
43 the amount which the municipality expended for that purpose  
44 during the last full budget year, or portion thereof, in which the  
45 purpose so excepted was funded from appropriations in the  
46 municipal budget.

47 (cf: P.L.2007, c.311, s.17) **I**<sup>2</sup>

1       <sup>2</sup>[18.] <sup>3</sup>[17.<sup>2</sup>] 16.<sup>3</sup> Section 8 of P.L.1977, c.396 (C.40A:5-15.1)  
2 is amended to read as follows:

3       8. Securities which may be purchased by local units.

4       a. When authorized by a cash management plan approved  
5 pursuant to N.J.S.40A:5-14, any local unit may use moneys which  
6 may be in hand for the purchase of the following types of securities  
7 which, if suitable for registry, may be registered in the name of the  
8 local unit:

9       (1) Bonds or other obligations of the United States of America  
10 or obligations guaranteed by the United States of America;

11       (2) Government money market mutual funds;

12       (3) Any obligation that a federal agency or a federal  
13 instrumentality has issued in accordance with an act of Congress,  
14 which security has a maturity date not greater than 397 days from  
15 the date of purchase, provided that such obligation bears a fixed rate  
16 of interest not dependent on any index or other external factor;

17       (4) Bonds or other obligations of the local unit or bonds or other  
18 obligations of school districts of which the local unit is a part or  
19 within which the school district is located;

20       (5) Bonds or other obligations, having a maturity date not more  
21 than 397 days from the date of purchase, approved by the Division  
22 of **Investment of** Local Government Services in the Department  
23 of **the Treasury** Community Affairs for investment by local units;

24       (6) Local government investment pools;

25       (7) Deposits with the State of New Jersey Cash Management  
26 Fund established pursuant to section 1 of P.L.1977, c.281  
27 (C.52:18A-90.4); or

28       (8) Agreements for the repurchase of fully collateralized  
29 securities, if:

30       (a) the underlying securities are permitted investments pursuant  
31 to paragraphs (1) and (3) of this subsection a.;

32       (b) the custody of collateral is transferred to a third party;

33       (c) the maturity of the agreement is not more than 30 days;

34       (d) the underlying securities are purchased through a public  
35 depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41);  
36 and

37       (e) a master repurchase agreement providing for the custody and  
38 security of collateral is executed.

39       b. Any investment instruments in which the security is not  
40 physically held by the local unit shall be covered by a third party  
41 custodial agreement which shall provide for the designation of such  
42 investments in the name of the local unit and prevent unauthorized  
43 use of such investments.

44       c. Purchase of investment securities shall be executed by the  
45 "delivery versus payment" method to ensure that securities are  
46 either received by the local unit or a third party custodian prior to or  
47 upon the release of the local unit's funds.

1 d. Any investments not purchased and redeemed directly from  
2 the issuer, government money market mutual fund, local  
3 government investment pool, or the State of New Jersey Cash  
4 Management Fund, shall be purchased and redeemed through the  
5 use of a national or State bank located within this State or through a  
6 broker-dealer which, at the time of purchase or redemption, has  
7 been registered continuously for a period of at least two years  
8 pursuant to section 9 of P.L.1967, c.93 (C.49:3-56) and has at least  
9 \$25 million in capital stock (or equivalent capitalization if not a  
10 corporation), surplus reserves for contingencies and undivided  
11 profits, or through a securities dealer who makes primary markets  
12 in U.S. Government securities and reports daily to the Federal  
13 Reserve Bank of New York its position in and borrowing on such  
14 U.S. Government securities.

15 e. For the purposes of this section:

16 (1) a "government money market mutual fund" means an  
17 investment company or investment trust:

18 (a) which is registered with the Securities and Exchange  
19 Commission under the "Investment Company Act of 1940," 15  
20 U.S.C. s.80a-1 et seq., and operated in accordance with 17 C.F.R.  
21 s.270.2a-7;

22 (b) the portfolio of which is limited to U.S. Government  
23 securities that meet the definition of an eligible security pursuant to  
24 17 C.F.R. s.270.2a-7 and repurchase agreements that are  
25 collateralized by such U.S. Government securities in which direct  
26 investment may be made pursuant to paragraphs (1) and (3) of  
27 subsection a. of this section; and

28 (c) which is rated by a nationally recognized statistical rating  
29 organization.

30 (2) a "local government investment pool" means an investment  
31 pool:

32 (a) which is managed in accordance with 17 C.F.R. s.270.2a-7;

33 (b) which is rated in the highest category by a nationally  
34 recognized statistical rating organization;

35 (c) which is limited to U.S. Government securities that meet the  
36 definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and  
37 repurchase agreements that are collateralized by such U.S.  
38 Government securities in which direct investment may be made  
39 pursuant to paragraphs (1) and (3) of subsection a. of this section;

40 (d) which is in compliance with rules adopted pursuant to the  
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
42 seq.) by the Local Finance Board of the Division of Local  
43 Government Services in the Department of Community Affairs,  
44 which rules shall provide for disclosure and reporting requirements,  
45 and other provisions deemed necessary by the board to provide for  
46 the safety, liquidity and yield of the investments;

47 (e) which does not permit investments in instruments that: are  
48 subject to high price volatility with changing market conditions;

1 cannot reasonably be expected, at the time of interest rate  
2 adjustment, to have a market value that approximates their par  
3 value; or utilize an index that does not support a stable net asset  
4 value ; and

5 (f) which purchases and redeems investments directly from the  
6 issuer, government money market mutual fund, or the State of New  
7 Jersey Cash Management Fund, or through the use of a national or  
8 State bank located within this State, or through a broker-dealer  
9 which, at the time of purchase or redemption, has been registered  
10 continuously for a period of at least two years pursuant to section 9  
11 of P.L.1967, c.93 (C.49:3-56) and has at least \$25 million in capital  
12 stock (or equivalent capitalization if not a corporation), surplus  
13 reserves for contingencies and undivided profits, or through a  
14 securities dealer who makes primary markets in U.S. Government  
15 securities and reports daily to the Federal Reserve Bank of New  
16 York its position in and borrowing on such U.S. Government  
17 securities.

18 f. Investments in, or deposits or purchases of financial  
19 instruments made pursuant to this section shall not be subject to the  
20 requirements of the "Local Public Contracts Law," P.L.1971, c.198  
21 (C.40A:11-1 et seq.).

22 (cf: P.L.1997, c.148, s.3)

23

24 <sup>1</sup>[19. Section 3 of P.L.1983, c.313 (C.40A:5A-3) is amended to  
25 read as follows:

26 3. As used in this act:

27 a. "Authority" means a body, public and corporate, created by  
28 one or more municipalities or counties pursuant to any law  
29 authorizing that creation, which law provides that the public body  
30 so created has at least the following powers:

31 (1) To adopt and use a corporate seal;

32 (2) To sue and be sued;

33 (3) To acquire and hold real or personal property for its  
34 purposes; and

35 (4) To provide for and secure the payment of its bonds or other  
36 obligations, or to provide for the assessment of a tax on real  
37 property within its district, or to impose charges for the use of its  
38 facilities or any combination thereof.

39 b. "Director" means the Director of the Division of Local  
40 Government Services in the Department of Community Affairs.

41 c. "Service contract" means an agreement of a local unit or units  
42 intended to provide security for an issue of obligations of an  
43 authority, including, but not limited to, a contract providing for  
44 payments by a local unit or units with respect to a project, facility,  
45 or public improvement of an authority or payments for debt service  
46 therefore, but not including such an agreement of a fire district with  
47 respect to a project, facility, or public improvement approved by the  
48 voters of the district pursuant to N.J.S.40A:14-86, which agreement

1 shall be approved by either the Division of Fire Safety in the  
 2 Department of Community Affairs or by ordinance of the governing  
 3 body of the municipality which the fire district serves.

4 d. "Local Finance Board" means the Local Finance Board in the  
 5 Division of Local Government Services in the Department of  
 6 Community Affairs.

7 e. "Local unit or units" means a county or municipality which  
 8 created or joined in the creation of an authority, or which proposes  
 9 to create or join in the creation thereof, or which proposes to enter  
 10 into a service contract with an authority.

11 f. "Project financing" means the financing by an authority of a  
 12 public facility for the benefit of the inhabitants of a local unit or  
 13 units and for which the financing costs will be paid, directly or  
 14 indirectly, by those inhabitants and includes payment for the design  
 15 and plan for the public facility, but shall not include such financing  
 16 by a fire district with respect to a project approved by the voters of  
 17 the district pursuant to N.J.S.40A:14-86, which financing shall be  
 18 approved by either the Division of Fire Safety in the Department of  
 19 Community Affairs or by ordinance of the governing body of the  
 20 municipality which the fire district serves.

21 g. "Bond resolution" means a bond resolution of an authority, or  
 22 a trust indenture to be executed by an authority, or other similar  
 23 proceeding or document.

24 (cf: P.L.1992, c.79, s.52)]<sup>1</sup>

25

26 <sup>1</sup>[20.] <sup>2</sup>[19.1] <sup>3</sup>[18.2] <sup>17.3</sup> Section 6 of P.L.1983, c.313  
 27 (C.40A:5A-6) is amended to read as follows:

28 6. Prior to the adoption of a bond resolution by an authority, or  
 29 the adoption of an ordinance or resolution of a local unit or units  
 30 authorizing a service contract that is part of a project financing, the  
 31 proposed project financing shall be submitted to the Local Finance  
 32 Board for its review. The Local Finance Board may adopt rules and  
 33 regulations, pursuant to the "Administrative Procedure Act,"  
 34 P.L.1968, c.410 (C.52:14B-1 et seq.), to permit project financing to  
 35 proceed without such application and review if the project financing  
 36 is a refunding that will result in <sup>2</sup>debt service<sup>2</sup> savings <sup>2</sup>on  
 37 outstanding bond debt<sup>2</sup>. The Local Finance Board shall, in the  
 38 course of its review, give consideration to:

39 a. The nature, purpose, and scope of the proposed project  
 40 financing;

41 b. The engineering and feasibility studies prepared in  
 42 connection therewith;

43 c. The terms and provisions of the proposed service contracts,  
 44 bond resolutions and, in the instance of a negotiated offering, the  
 45 proposed or maximum terms and conditions of sale;

46 d. An estimate of the proposed or maximum schedule of debt  
 47 service payments required, and the impact thereof on the budget and  
 48 financial condition of the authority and of the local unit;

1 e. The estimate of the annual cost of operating and maintaining  
2 the project as set forth in the engineering report or feasibility  
3 studies; and

4 f. The initial rate, rent, fee, or charge schedule proposed by the  
5 authority, or any other proposed method of raising the amounts  
6 required to finance the operations and payments of debt service on  
7 the obligations of the authority.

8 The Local Finance Board may examine the estimates,  
9 computations or calculations made in connection with the  
10 submission, may require the production of papers, documents,  
11 witnesses or information, may make or cause to be made an audit or  
12 investigation and may take any other action which it may deem  
13 necessary to its review of the submission.

14 (cf: P.L.1987, c.319, s.2)

15  
16 <sup>1</sup>[21.] <sup>2</sup>[20.1] <sup>3</sup>[19.2] 18.<sup>3</sup> Section 10 of P.L.1983, c.313  
17 (C.40A:5A-10) is amended to read as follows:

18 10. a. Each authority shall submit a budget for each fiscal year  
19 <sup>1</sup>[in which it has total budgeted operating appropriations in excess  
20 of \$500,000]<sup>1</sup> to the director prior to its adoption thereof <sup>1</sup>;  
21 provided, however, that each fire district, notwithstanding the  
22 amount of its total budgeted operations, shall submit a budget for  
23 each fiscal year to the director prior to its adoption thereof]<sup>1</sup>.  
24 <sup>1</sup>[The Local Finance Board may adopt rules and regulations,  
25 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
26 (C.52:14B-1 et seq.), to lower the threshold amount requiring  
27 budget submittal pursuant to this section. An authority that has any  
28 outstanding debt obligations or an unrestricted net deficit in a fiscal  
29 year shall submit a budget for that fiscal year to the director prior to  
30 its adoption thereof, notwithstanding its total budgeted operating  
31 appropriations for the fiscal year.]<sup>1</sup> The budget shall comply with  
32 the terms and provisions of any bond resolutions, and shall be in  
33 such form and detail as to items of revenue, expenditure and other  
34 content as shall be required by law or by rules and regulations of  
35 the Local Finance Board.

36 b. The Local Finance Board shall prescribe by rule or regulation  
37 the procedure for the adoption of budgets by authorities. The rules  
38 and regulations may include or be similar to any provisions of the  
39 "Local Budget Law" (N.J.S.40A:4-1 et seq.) which the Local  
40 Finance Board shall deem to be practicable or necessary, and may  
41 further include any other provisions and requirements which the  
42 Local Finance Board shall deem appropriate or necessary. The  
43 rules and regulations shall provide for approval or disapproval of a  
44 budget within 45 days of the director's receipt thereof.

45 c. The Local Finance Board shall also prescribe by rule or  
46 regulation the procedures and requirements for execution of any  
47 budget after adoption, and for the administration of financial affairs

1 of authorities. The rules and regulations may include, without  
 2 limitation, any provisions of the "Local Budget Law" (N.J.S.40A:4-  
 3 1 et seq.), and the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et  
 4 seq.), which the Local Finance Board shall deem to be practicable  
 5 and necessary.

6 d. Notwithstanding the provisions of subsection a. of this section  
 7 and N.J.S.40A:5A-11, the Local Finance Board is authorized to  
 8 adopt rules and regulations, pursuant to the "Administrative  
 9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to exempt  
 10 certain authorities from the requirement that the director approve  
 11 their annual budgets and to provide instead for a system of local  
 12 examination and approval of such budgets by authority officials,  
 13 provided that:

14 (1) the director finds that such authorities are fiscally sound and  
 15 that their fiscal practices are conducted in accordance with law and  
 16 sound administrative practice;

17 (2) the director shall examine the budgets of such authorities in  
 18 accordance with the provisions of this section and N.J.S.40A:5A-  
 19 11, at least every third year;

20 (3) the governing body and chief financial officer of each such  
 21 authority shall each file a certification with the director stating that,  
 22 with reference to the adopted budget of the authority, they have:

23 (a) examined the budget in the manner prescribed under this  
 24 section and N.J.S.40A:5A-11, and determined that the budget  
 25 complies with requirements set forth therein; and

26 (b) determined that the budget complies with all other provisions  
 27 of law, including, but not limited to, the "Local Authorities Fiscal  
 28 Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), and the  
 29 regulations of the Local Finance Board;

30 (4) all budget documents required by law or the regulations  
 31 adopted by the Local Finance Board shall be filed with the director  
 32 on a timely basis;

33 (5) other criteria and responsibilities as established by the  
 34 regulations adopted by the Local Finance Board are met.

35 The director shall act to require immediate compliance with the  
 36 "Local Authorities Fiscal Control Law," P.L.1983, c.313  
 37 (C.40A:5A-1 et seq.), if the director finds that any such exemption  
 38 impairs the fiscal integrity or solvency of any such authority. Any  
 39 appeal of a governing body's action in adopting an annual budget  
 40 shall be made to the director.

41 (cf: P.L.1987, c.319, s.5)

42

43 <sup>1</sup>[22.] <sup>2</sup>[21.1] <sup>3</sup>[20.2] <sup>19.</sup>3 Section 11 of P.L.1983, c.313  
 44 (C.40A:5A-11) is amended to read as follows:

45 11. No authority budget subject to the provisions of subsection  
 46 a. of section 10 of P.L.1983, c.313 (C.40A:5A-10) shall be finally  
 47 adopted until the director shall have approved same. In granting the  
 48 approval, the director shall consider whether or not:

- 1 a. All estimates of revenue are reasonable, accurate and  
2 correctly stated;
- 3 b. Items of appropriation are properly set forth;
- 4 c. In itemization, form and content, the budget will permit the  
5 exercise of the comptroller function within the authority;
- 6 d. The schedule of rates, fees and charges then in effect will  
7 produce sufficient revenues, together with all other anticipated  
8 revenues, to satisfy all obligations to the holders of bonds of the  
9 authority, to meet operating expenses, capital outlays, debt service  
10 requirements, and to provide for such reserves, all as may be  
11 required by law, regulation or terms of contracts and agreements.

12 The director may require such documentation, records and other  
13 information, and undertake any audit or investigation, as he may  
14 deem necessary in connection with his review.

15 If the director finds that all requirements of law and the rules and  
16 regulations of the Local Finance Board have been met, he shall,  
17 within 45 days of his receipt of the budget, approve it; otherwise he  
18 shall within that time refuse to approve it. The director, in refusing  
19 to approve the budget, shall not substitute his discretion with  
20 respect to the amount of an appropriation when that amount is not  
21 made mandatory by law or regulation.

22 Any decision of the director in the course of budget review under  
23 this section may be appealed to the Local Finance Board in the  
24 manner generally provided by law.

25 (cf: P.L.1983, c.313, s.11)

26

27 <sup>1</sup>[23.] <sup>2</sup>[22.1] <sup>3</sup>[21.2] 20.<sup>3</sup> Section 17 of P.L.1983, c.313  
28 (C.40A:5A-17) is amended to read as follows:

29 17. The members of the governing body of each authority shall,  
30 within 45 days of receipt of the annual audit, certify by resolution to  
31 the Local Finance Board that each member thereof has personally  
32 reviewed the annual audit report, and specifically the sections of the  
33 audit report entitled Schedule of Findings and Questioned Costs and  
34 General Comments and Recommendations, and has evidenced same  
35 by group affidavit signed by a majority of the full membership of  
36 the authority in the form prescribed by the Local Finance Board.  
37 Failure to comply with this provision may subject the members of  
38 the authority to the penalty provisions of section 52 of P.L.1947,  
39 c.151 (C.52:27BB-52).

40 (cf: P.L.1987, c.319, s.8)

41

42 <sup>1</sup>[24.] <sup>2</sup>[23.1] <sup>3</sup>[22.2] 21.<sup>3</sup> Section 3 of P.L.1991, c.29  
43 (C.40A:9-22.3) is amended to read as follows:

44 3. As used in this act:

- 45 a. "Board" means the Local Finance Board in the Division of  
46 Local Government Services in the Department of Community  
47 Affairs;

- 1       b. "Business organization" means any corporation, partnership,  
2 firm, enterprise, franchise, association, trust, sole proprietorship,  
3 union or other legal entity;
- 4       c. "Governing body" means, in the case of a municipality, the  
5 commission, council, board or body, by whatever name it may be  
6 known, having charge of the finances of the municipality, and, in  
7 the case of a county, the board of chosen freeholders, or, in the case  
8 of a county having adopted the provisions of the "Optional County  
9 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), as defined in  
10 the form of government adopted by the county under that act;
- 11       d. "Interest" means the ownership or control of more than 10%  
12 of the profits, assets or stock of a business organization but shall  
13 not include the control of assets in a nonprofit entity or labor union;
- 14       e. "Local government agency" means any agency, board,  
15 governing body, including the chief executive officer, bureau,  
16 division, office, commission or other instrumentality within a  
17 county or municipality, and any independent local authority,  
18 including any entity created by more than one county or  
19 municipality, which performs functions other than of a purely  
20 advisory nature, but shall not include a school board;
- 21       f. "Local government employee" means any person, whether  
22 compensated or not, whether part-time or full-time, employed by or  
23 serving on a local government agency who is not a local  
24 government officer, but shall not mean any employee of a school  
25 district;
- 26       g. "Local government officer" means any person whether  
27 compensated or not, whether part-time or full-time: (1) elected to  
28 any office of a local government agency; (2) serving on a local  
29 government agency which has the authority to enact ordinances,  
30 approve development applications or grant zoning variances; (3)  
31 who is a member of an independent municipal, county or regional  
32 authority; or (4) who is a managerial executive **【or confidential】**  
33 employee of a local government agency, as defined in **【section 3 of**  
34 **the "New Jersey Employer-Employee Relations Act," P.L.1941,**  
35 **c.100 (C.34:13A-3)】** rules and regulations adopted by the Director  
36 of the Division of Local Government Services in the Department of  
37 Community Affairs pursuant to the "Administrative Procedure Act,"  
38 P.L.1968, c.410 (C.52:14B-1 et seq.), but shall not mean any  
39 employee of a school district or member of a school board;
- 40       h. "Local government officer or employee" means a local  
41 government officer or a local government employee;
- 42       i. "Member of immediate family" means the spouse or  
43 dependent child of a local government officer or employee residing  
44 in the same household.  
45 (cf: P.L.1991, c.29, s.3)

46  
47       <sup>1</sup>**【25.】** <sup>2</sup>**【24.1】** <sup>3</sup>**【23.2】** 22.<sup>3</sup> Section 6 of P.L.1991, c.29  
48 (C.40A:9-22.6) is amended to read as follows:

1       6. a. Local government officers shall annually file a financial  
2 disclosure statement. All financial disclosure statements filed  
3 pursuant to **[this act]** P.L.1991, c.29 shall include the following  
4 information which shall specify, where applicable, the name and  
5 address of each source and the local government officer's job title:

6       (1) Each source of income, earned or unearned, exceeding  
7 \$2,000 received by the local government officer or a member of his  
8 immediate family during the preceding calendar year. Individual  
9 client fees, customer receipts or commissions on transactions  
10 received through a business organization need not be separately  
11 reported as sources of income. If a publicly traded security is the  
12 source of income, the security need not be reported unless the local  
13 government officer or member of his immediate family has an  
14 interest in the business organization;

15       (2) Each source of fees and honorariums having an aggregate  
16 amount exceeding \$250 from any single source for personal  
17 appearances, speeches or writings received by the local government  
18 officer or a member of his immediate family during the preceding  
19 calendar year;

20       (3) Each source of gifts, reimbursements or prepaid expenses  
21 having an aggregate value exceeding \$400 from any single source,  
22 excluding relatives, received by the local government officer or a  
23 member of his immediate family during the preceding calendar  
24 year;

25       (4) The name and address of all business organizations in which  
26 the local government officer or a member of his immediate family  
27 had an interest during the preceding calendar year; and

28       (5) The address and brief description of all real property in the  
29 State in which the local government officer or a member of his  
30 immediate family held an interest during the preceding calendar  
31 year.

32       b. The Local Finance Board shall prescribe a financial  
33 disclosure statement form for filing purposes. For counties and  
34 municipalities which have not established ethics boards, the board  
35 shall transmit sufficient copies of the forms to the municipal clerk  
36 in each municipality and the county clerk in each county for filing  
37 in accordance with this act. The municipal clerk shall make the  
38 forms available to the local government officers serving the  
39 municipality. The county clerk shall make the forms available to  
40 the local government officers serving the county.

41       For counties and municipalities which have established ethics  
42 boards, the Local Finance Board shall transmit sufficient copies of  
43 the forms to the ethics boards for filing in accordance with this act.  
44 The ethics boards shall make the forms available to the local  
45 government officers within their jurisdiction.

46       For local government officers serving the municipality, the  
47 original statement shall be filed with the municipal clerk in the  
48 municipality in which the local government officer serves. For

1 local government officers serving the county, the original statement  
2 shall be filed with the county clerk in the county in which the local  
3 government officer serves. A copy of the statement shall be filed  
4 with the board. In counties or municipalities which have  
5 established ethics boards a copy of the statement shall also be filed  
6 with the ethics board having jurisdiction over the local government  
7 officer. Local government officers shall file the initial financial  
8 disclosure statement within 90 days following the effective date of  
9 this act. Thereafter, statements shall be filed on or before April  
10 30th each year, except that each local government officer shall file a  
11 financial disclosure statement within 30 days of taking office.

12 c. All financial disclosure statements filed shall be public  
13 records.

14 d. The Division of Local Government Services in the  
15 Department of Community Affairs may establish an electronic  
16 filing system for financial disclosure statements required to be filed  
17 pursuant to this section.

18 (cf: P.L.2008, c.72, s.1)

19

20 <sup>1</sup>[26.] <sup>2</sup>[25.1] <sup>3</sup>[24.2] 23.<sup>3</sup> Section 5 of P.L.1988, c.110  
21 (C.40A:9-140.10) is amended to read as follows:

22 5. a. Notwithstanding the provisions of any law to the  
23 contrary, in every municipality there shall be a chief financial  
24 officer appointed by the governing body of the municipality. The  
25 requirement that every municipality shall have a chief financial  
26 officer may be fulfilled by the sharing of a chief financial officer  
27 with another municipality or municipalities under a shared service  
28 agreement entered into pursuant to the provisions of P.L.2007, c.63  
29 (C.40A:65-1 et seq.). Any such shared service agreement shall be  
30 subject to the provisions of section 4 of P.L.2007, c.63 (C.40A:65-  
31 4) and, with respect to pilot municipalities, section 3 of P.L.2013,  
32 c.166 (C.40A:65-4.2). The term of office shall be four years, which  
33 shall run from January 1 in the year in which the chief financial  
34 officer is appointed. The compensation for the chief financial  
35 officer shall be separately set forth in a municipal salary ordinance.

36 If a governing body fails or refuses to comply with this section,  
37 and has received an order from the director to do so, the members  
38 of a governing body who willfully fail or refuse to comply shall  
39 each be subject to a personal penalty of \$25 for each day after the  
40 date fixed for final action that failure or refusal to comply  
41 continues. The amount of the penalty may be recovered by the  
42 director in the name of the State as a personal debt of the member  
43 of the governing body, and shall be paid, upon receipt, into the  
44 State Treasury.

45 In the case of a pilot municipality, a tenured chief financial  
46 officer may be dismissed to effectuate the sharing of a service  
47 entered into pursuant to the provisions of P.L.2007, c.63  
48 (C.40A:65-1 et seq.) and such dismissal shall be deemed to be in

1 the interest of the economy or efficiency of the participants in the  
 2 shared service agreement. The removal of a chief financial officer  
 3 under this section shall not require the pilot municipality to fulfill  
 4 the requirements of section 2 of P.L.1977, c.39 (C.40A:9-140.8).  
 5 Instead, the pilot municipality shall provide the chief financial  
 6 officer with a written copy of the shared service agreement entered  
 7 into by the pilot municipality, and a letter stating that the position  
 8 of chief financial officer in the pilot municipality is being  
 9 eliminated for reasons of economy or efficiency as the result of the  
 10 shared service agreement.

11 b. The requirement that every municipality shall have a chief  
 12 financial officer may be temporarily fulfilled by the appointment of  
 13 a private entity to perform the duties of a chief financial officer. <sup>2</sup>A  
 14 municipality shall not appoint a private entity to fulfill the duties of  
 15 a chief financial officer for more than two consecutive one-year  
 16 terms.<sup>2</sup> A municipality shall not make such appointment <sup>2</sup>or  
 17 reappointment<sup>2</sup> unless approved by the Director of the Division of  
 18 Local Government Services in the Department of Community  
 19 Affairs. Such approval shall only be granted if the municipality  
 20 demonstrates that it has made a good faith effort to hire an  
 21 individual who holds a municipal finance officer certificate issued  
 22 pursuant to the provisions of P.L.1971, c.413 (C.40A:9-140.1 et  
 23 seq.). The term of office of a private entity appointed pursuant to  
 24 this subsection shall not exceed two <sup>2</sup>consecutive<sup>2</sup> years. Any work  
 25 performed by such private entity on behalf of the municipality shall  
 26 be supervised by at least one employee who holds a municipal  
 27 finance officer certificate issued pursuant to the provisions of  
 28 P.L.1971, c.413 (C.40A:9-140.1 et seq.). Any documents requiring  
 29 signature of the chief financial officer of the municipality shall be  
 30 executed on behalf of the private entity by an employee holding a  
 31 municipal finance officer certificate.

32 (cf: P.L.2013, c.166, s.11)

33

34 <sup>1</sup>[27.] <sup>2</sup>[26.1] <sup>3</sup>[25.2] 24.<sup>3</sup> Section 8 of P.L.1988, c.110  
 35 (C.40A:9-140.13) is amended to read as follows:

36 8. a. Commencing January 1, 1991, no person shall be  
 37 appointed or reappointed as a chief financial officer unless he holds  
 38 a municipal finance officer certificate issued pursuant to the  
 39 provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.) or <sup>2</sup>[this act]  
 40 P.L.1988, c.110<sup>2</sup>.

41 b. Any person who has, on or before the effective date of  
 42 P.L.1988, c.110 been granted tenure pursuant to the provisions of  
 43 section 2 of P.L.1977, c.39 (C.40A:9-140.8) or the provisions of  
 44 N.J.S.40A:9-152, may continue to serve in his current position and  
 45 shall not be removed from office or denied reappointment except  
 46 for just cause and then only after a public hearing conducted

1 pursuant to sections 2 and 3 of P.L.1977, c.39 (C.40A:9-140.8 and  
2 C.40A:9-140.9).

3 c. Any certified municipal finance officer who has been  
4 appointed as the chief financial officer of a municipality pursuant to  
5 section 5 of P.L.1988, c.110 (C.40A:9-140.10) subsequent to the  
6 effective date of P.L.1988, c.110 and who thereafter filed with the  
7 clerk of that municipality and with the Division of Local  
8 Government Services in the Department of Community Affairs a  
9 notification that he had complied with the requirements of section 2  
10 of P.L.1977, c.39 (C.40A:9-140.8) shall be considered to have been  
11 granted tenure and shall accordingly be entitled to the protections  
12 set forth in subsection b. of section 2 of P.L.1977, c.39 (C.40A:9-  
13 140.8).

14 d. Notwithstanding the provisions of any other law to the  
15 contrary, any person who has served as a municipal finance officer  
16 in the same municipality for a period of not less than five  
17 consecutive years while holding a municipal finance officer  
18 certificate issued in accordance with P.L.1971, c.413 (C.40A:9-  
19 140.1 et seq.), and who thereafter is appointed as the chief financial  
20 officer of that municipality, shall be granted tenure of office upon  
21 the filing with the clerk of the municipality and the Director of the  
22 Division of Local Government Services in the Department of  
23 Community Affairs a notification evidencing his compliance with  
24 this section.

25 e. A municipal finance officer who has held office  
26 continuously for five consecutive years in the same municipality  
27 may continue to serve in his current position and shall not be  
28 removed from office or denied reappointment for failure to qualify  
29 as a certified municipal finance officer pursuant to provisions of  
30 P.L.1971, c.413 (C.40A:9-140.1 et seq.) or <sup>2</sup>[this act] P.L.1988,  
31 c.110<sup>2</sup>. However, any such individual shall not be entitled to be  
32 appointed as the chief financial officer of that municipality unless  
33 he possesses a municipal finance officer certificate.

34 f. When a vacancy occurs in the office of chief financial  
35 officer following the appointment of a certified municipal finance  
36 officer to that office, the governing body or chief executive officer,  
37 as appropriate, may appoint, for a period not to exceed one year and  
38 commencing on the date of the vacancy, a person who does not hold  
39 a municipal finance officer certificate to serve as a temporary chief  
40 financial officer. Any person so appointed may, with the approval  
41 of the director, be reappointed as chief financial officer following  
42 the termination of the temporary appointment for <sup>2</sup>[one] up to two<sup>2</sup>  
43 additional <sup>2</sup>[year] one-year terms<sup>2</sup>. No local unit shall have a  
44 temporary chief financial officer for more than <sup>2</sup>[two] three<sup>2</sup>  
45 consecutive years. Time served as a temporary chief financial  
46 officer shall not count as time served as a chief financial officer for

1 the purpose of acquiring tenure pursuant to subsection a. of section  
2 2 of P.L.1977, c.39 (C.40A:9-140.8) or subsection d. of this section.

3 g. Upon application by a municipal governing body to the  
4 director, an individual without a municipal finance officer  
5 certificate may, with the approval of the director, be appointed to  
6 serve as the chief financial officer in a municipality in which he is  
7 presently employed if that individual meets all of the requirements  
8 established under subsection a. of section 2 of P.L.1971, c.413  
9 (C.40A:9-140.2) and further has completed four of the seven  
10 training courses identified in subsection b. of section 2 of P.L.1971,  
11 c.413 (C.40A:9-140.2), at least two of which shall be accounting  
12 courses. If any individual appointed as a chief financial officer  
13 pursuant to this subsection fails to obtain a municipal finance  
14 officer certificate prior to January 1, 1992, his appointment as chief  
15 financial officer shall lapse and the municipal governing body shall  
16 appoint a certified municipal finance officer as the municipality's  
17 chief financial officer.

18 (cf: P.L.1991, c.175, s.11)

19

20 <sup>1</sup>[28.] <sup>2</sup>[27.1] <sup>3</sup>[26.2] 25.<sup>3</sup> Section 1 of P.L.1999, c.440  
21 (C.40A:11-4.1) is amended to read as follows:

22 1. Notwithstanding the provisions of any law, rule or regulation  
23 to the contrary, competitive contracting may be used by local  
24 contracting units in lieu of public bidding for procurement of  
25 specialized goods and services the price of which exceeds the bid  
26 threshold, for the following purposes:

27 a. The purchase or licensing of proprietary computer software  
28 designed for contracting unit purposes, which may include  
29 hardware intended for use with the proprietary software. This  
30 subsection shall not be utilized for the purpose of acquiring general  
31 purpose computer hardware or software;

32 b. The hiring of a for-profit entity or a not-for-profit entity  
33 incorporated under Title 15A of the New Jersey Statutes for the  
34 purpose of:

35 (1) the operation and management of a wastewater treatment  
36 system or a water supply or distribution facility of the type  
37 described in subsection (37) of section 15 of P.L.1971, c.198  
38 (C.40A:11-15), provided that competitive contracting shall not be  
39 used as a means of awarding contracts pursuant to P.L.1985, c.37  
40 (C.58:26-1 et al.) and P.L.1985, c.72 (C.58:27-1 et al.);

41 (2) the operation, management or administration of recreation or  
42 social service facilities or programs, which shall not include the  
43 administration of benefits under the Work First New Jersey  
44 program established pursuant to P.L.1997, c.38 (C.44:10-55 et  
45 seq.), or under General Assistance; or

46 (3) the operation, management or administration of data  
47 processing services;

48 c. (Deleted by amendment, P.L.2009, c.4).

- 1 d. Homemaker--home health services;  
 2 e. Laboratory testing services;  
 3 f. Emergency medical services;  
 4 g. Contracted food services;  
 5 h. Performance of patient care services by contracted medical  
 6 staff at county hospitals, correctional facilities and long-term care  
 7 facilities;  
 8 i. At the option of the governing body of the contracting unit,  
 9 any good or service that is exempt from bidding pursuant to section  
 10 5 of P.L.1971, c.198 (C.40A:11-5);  
 11 j. Concessions;  
 12 k. The operation, management or administration of other  
 13 services, with the approval of the Director of the Division of Local  
 14 Government Services ;  
 15 l. Maintenance, custodial, and groundskeeping services;  
 16 m. Consulting services;  
 17 n. Emergency medical billing services;  
 18 o. Property appraisal services;  
 19 p. Reassessment or revaluation services;  
 20 q. Grant writing services;  
 21 r. Animal control services.

22 Any purpose included herein shall not be considered by a  
 23 contracting unit as an extraordinary unspecifiable service pursuant  
 24 to subparagraph (ii) of paragraph [(a)(ii)] (a) of subsection (1) of  
 25 section 5 of P.L.1971, c.198 (C.40A:11-5).

26 (cf: P.L.2009, c.4, s.7)

27  
 28 <sup>1</sup>[29.] <sup>2</sup>[28.1] <sup>3</sup>[27.2] <sup>26.3</sup> Section 4 of P.L.2001, c.310  
 29 (C.40A:12A-67) is amended to read as follows:

30 4. a. The municipality may issue bonds itself in the manner  
 31 provided for herein or pursuant to the "Local Redevelopment and  
 32 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) or may apply  
 33 to the authority to issue bonds, regardless of whether the  
 34 redevelopment project is undertaken under municipal authority  
 35 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State  
 36 entity redeveloper pursuant to a State entity redevelopment  
 37 agreement, which in any case may be secured by payments in lieu  
 38 of taxes or special assessments or both or a portion thereof, by the  
 39 adoption of a resolution or ordinance, as applicable, of the  
 40 governing body of the municipality, authority or State entity to that  
 41 effect.

42 b. A municipality that has designated a redevelopment area or  
 43 in which a redevelopment project is undertaken by a State entity  
 44 redeveloper pursuant to a State entity redevelopment agreement  
 45 may, by resolution of its governing body, if it determines to issue  
 46 bonds through the authority, enter into contracts with the authority  
 47 relating to that redevelopment project, or to act as a redeveloper or  
 48 to finance or refinance a redevelopment project undertaken by a

1 State entity redeveloper pursuant to a State entity redevelopment  
2 agreement within a redevelopment area. A resolution so adopted  
3 shall contain findings and determinations of the governing body: (1)  
4 that all or a portion of the redevelopment project undertaken within  
5 the municipality will result in the redevelopment of the  
6 municipality; and, (2) that the contract with the authority or, to the  
7 extent applicable, the financial agreement with the State entity  
8 redeveloper, is a necessary or important inducement to the  
9 undertaking of the project or the redevelopment project undertaken  
10 by the State entity redeveloper in that it makes the financing thereof  
11 feasible. The contract or contracts, or the terms of any bonds issued  
12 directly by a municipality may provide for the assignment, for the  
13 benefit of bondholders, of all or any portion of payments in lieu of  
14 taxes, or special assessments, or both. A contract may be made and  
15 entered into for a term beginning currently or at some future or  
16 contingent date, and with or without consideration, and for a  
17 specified or unlimited time, and on any terms and conditions which  
18 may be requested by the municipality and, to the extent applicable,  
19 the State entity redeveloper, and, if applicable, as may be agreed to  
20 by the authority and, to the extent applicable, the State entity  
21 redeveloper, in conformity with its contracts with the holders of  
22 bonds, and shall be valid and binding on the municipality. The  
23 municipality is hereby authorized and directed to do and perform  
24 any contract so entered into by it and to provide for the discharge of  
25 any obligation thereunder in the same manner as other obligations  
26 of the municipality.

27 Any contract, and any instrument making or evidencing the  
28 same, may be pledged or assigned by the authority, with the consent  
29 of the municipality executing the contract, and, to the extent  
30 applicable, the consent of the State entity redeveloper, to secure its  
31 bonds and thereafter may not be modified except as provided by the  
32 terms of the instrument or by the terms of the pledge or assignment.

33 The municipality may include in the terms of a bond or contract,  
34 including a financial agreement, a provision that the payments in  
35 lieu of taxes or special assessments shall constitute a municipal  
36 charge for the purposes of R.S.54:4-66.

37 c. The payments in lieu of taxes or special assessments, or  
38 both, may be assigned directly by the municipality or the authority  
39 or the trustee for the bonds as payment or security for the bonds.  
40 Notwithstanding any law to the contrary, the assignment shall be an  
41 absolute assignment of all the municipality's right, title, and interest  
42 in the payment in lieu of taxes or special assessments, or both, or  
43 portion thereof, along with the rights and remedies provided to the  
44 municipality under the agreement including, but not limited to, the  
45 right of collection of payments due. Payments in lieu of taxes and  
46 special assessments assigned as provided hereunder shall not be  
47 included in the general funds of the municipality, nor shall they be  
48 subject to any laws regarding the receipt, deposit, investment or

1 appropriation of public funds and shall retain such status  
2 notwithstanding enforcement of the payment or assessment by the  
3 municipality or assignee as provided herein. The municipality shall  
4 be a "person" within the meaning of that term as defined in section  
5 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this  
6 section shall be a "project" within the meaning of that term as  
7 defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

8 d. Notwithstanding the provisions of subsection g. of section  
9 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to  
10 this section may be issued as non-recourse obligations, and unless  
11 otherwise provided for by a separate action of the municipality to  
12 guarantee such bonds or otherwise provide for a pledge of the  
13 municipality's full faith and credit shall not, except for such action,  
14 be considered to be direct and general obligations of the  
15 municipality, and, absent such action, the municipality shall not be  
16 obligated to levy and collect a tax sufficient in an amount to pay the  
17 principal and interest on the bonds when the same become due and  
18 payable. The provisions of the "Local Government Supervision Act  
19 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to  
20 any bonds issued or authorized pursuant to this section and those  
21 bonds shall not be considered gross debt of the municipality on any  
22 debt statement filed in accordance with the "Local Bond Law,"  
23 N.J.S.40A:2-1 et seq., and the provisions of chapter 27 of Title 52  
24 of the Revised Statutes shall not apply to such bonds.

25 e. The proceeds from the sale of bonds and any funds provided  
26 by any department of the State, authority created by the State or bi-  
27 state authority for the purposes described in the "Redevelopment  
28 Area Bond Financing Law," sections 1 through 10 of P.L.2001,  
29 c.310 (C.40A:12A-64 et seq.) or for the purpose of financing or  
30 refinancing a redevelopment project pursuant to a State entity  
31 redevelopment agreement, shall not require compliance with public  
32 bidding laws, including the "Local Public Contracts Law,"  
33 P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the  
34 redeveloper or State entity redeveloper, as the case may be, shall  
35 undertake the redevelopment project. The use of these funds shall  
36 be subject to public accountability and oversight by the issuer of  
37 those bonds, regardless of whether the municipality, agency or  
38 authority provides the funds.

39 f. In order to provide additional security for any loan to a  
40 redeveloper or a State entity redeveloper, as the case may be, or to  
41 bonds issued to finance a redevelopment project, regardless of  
42 whether that redevelopment project is undertaken under municipal  
43 authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a  
44 State entity redeveloper pursuant to a State entity redevelopment  
45 agreement, the municipality may utilize powers otherwise provided  
46 by law, including the "Local Redevelopment and Housing Law,"  
47 P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension  
48 of the municipality's credit to any redeveloper or State entity

1 redeveloper, as the case may be, or its full faith and credit which  
2 may include a full faith and credit lease as security for the bonds or  
3 any loan to a redeveloper or State entity redeveloper, as the case  
4 may be. To the extent that the municipality provides for a full faith  
5 and credit guarantee of any loan to a redeveloper or State entity  
6 redeveloper, as the case may be, or any bonds, but determines not to  
7 authorize the issuance of bonds or notes to provide for the funding  
8 source thereof, or otherwise determines to enter into a full faith and  
9 credit lease, it may do so by **【resolution approved by a majority of**  
10 **the full governing body】** an ordinance introduced, adopted, and  
11 published in accordance with the provisions of N.J.S.40A:2-17 and  
12 N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the  
13 first publication of the ordinance or of a summary thereof after final  
14 adoption. To the extent that bonds or notes are authorized as  
15 provided above, such bonds or notes shall be authorized pursuant to  
16 the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and  
17 shall be deductible from the gross debt of the municipality until  
18 such time as such bonds or notes are actually issued, and only up to  
19 the amount actually issued, to fund such guarantee.

20 g. A financial instrument, whether issued by a municipality or  
21 an authority, that is secured in whole or in part by payments in lieu  
22 of taxes or by special assessments, or both, as provided herein shall  
23 be subject to the review and approval of the board. That review and  
24 approval shall be made prior to approval of, in the case of a  
25 municipality, an introduced ordinance or, in the case of an  
26 authority, a resolution. The board shall be entitled to receive from  
27 the applicant an amount sufficient to provide for all reasonable  
28 professional and other fees and expenses incurred by it for the  
29 review, analysis and determination with respect thereto. As part of  
30 its review, the board shall specifically solicit comments from the  
31 Office of State Planning and the New Jersey Economic  
32 Development Authority in addition to comments from the public.  
33 The Office of State Planning shall provide comments on whether  
34 the redevelopment project or plan promotes congestion reduction,  
35 enhanced mobility, further redevelopment, and otherwise improves  
36 the quality of life of residents. As part of the board's review and  
37 approval, it shall consider **【where appropriate one or more of the**  
38 **following: whether the redevelopment project or plan promotes**  
39 **approaches and concepts to reduce congestion; enhance mobility;**  
40 **assist in the redevelopment of our municipalities; and otherwise**  
41 **improve the quality of life of our citizens】** the comments submitted  
42 and whether the issuance of the redevelopment area bond will  
43 adversely impact the financial stability of the municipality or  
44 service area of the authority.

45 h. A municipality that has assigned any portion of the  
46 payments in lieu of taxes it receives pursuant to a financial  
47 agreement, as payment or security for bonds, may also pledge a  
48 portion of those payments in lieu of taxes as payment or security for

1 bonds in order to finance or refinance any cost or expense of the  
2 municipality, State entity or authority.

3 i. In the case of a municipality which is otherwise subject to  
4 tax or revenue sharing pursuant to law and which assigns a portion  
5 of the payments in lieu of taxes or special assessments pursuant to a  
6 financial agreement to secure bonds issued by the municipality or  
7 the authority, the assigned portion of those payments in lieu of taxes  
8 or special assessments shall not be considered part of the tax or  
9 revenue sharing formula or calculation of municipal revenues for  
10 the purpose of determining whether that municipality is obligated to  
11 make payment to, or receive a credit from, any tax sharing or  
12 revenue sharing pool.

13 (cf: P.L.2004, c.112, s.3)

14

15 <sup>1</sup>[30.] <sup>2</sup>[29.<sup>1</sup>] <sup>3</sup>[28.<sup>2</sup>] 27.<sup>3</sup> N.J.S.40A:14-34 is amended to read  
16 as follows:

17 40A:14-34. The governing body of any municipality may raise  
18 and appropriate funds to be granted to the boards of fire  
19 commissioners of any fire district or volunteer fire companies  
20 located therein, up to a total annual appropriation of ~~【\$90,000.00~~  
21 annually】 \$150,000, which shall be adjusted biennially for inflation  
22 by the Director of the Division of Local Government Services in the  
23 Department of Community Affairs in accordance with the cost-of-  
24 living adjustment promulgated pursuant to section 4 of P.L.1983,  
25 c.49 (C.40A:4-45.1a). In any municipality in which there are more  
26 than three such boards or companies, or both, the governing body  
27 may raise and appropriate an additional ~~【\$30,000.00】~~ \$50,000  
28 annually for each such additional board or company. Any such  
29 board or company shall use not less than 50% of the funds received  
30 pursuant to this section for the purchase of fire equipment, materials  
31 and supplies. All funds appropriated under this section shall be  
32 accounted for to the governing body annually.

33 Any municipality may appropriate such additional sums as it  
34 may deem necessary for the purchase of fire equipment, supplies  
35 and materials for use by fire companies or boards, the title to which  
36 shall remain with the municipality, provided that the funds shall be  
37 controlled and disbursed by the municipality. In the case of a joint  
38 purchase made by the governing bodies of two or more  
39 municipalities pursuant to the provisions of the "Consolidated  
40 Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et seq.), the  
41 title to the purchase shall be held by the joint meeting formed by the  
42 contracting governing bodies.

43 (cf: P.L.1989, c.41, s.1)

44

45 <sup>1</sup>[31.] <sup>2</sup>[30.<sup>1</sup>] <sup>3</sup>[29.<sup>2</sup>] 28.<sup>3</sup> Section 9 of P.L.1991, c.431  
46 (C.40A:20-9) is amended to read as follows:

1       9. Every approved project shall be evidenced by a financial  
2 agreement between the municipality and the urban renewal entity.  
3 The agreement shall be prepared by the entity and submitted as a  
4 separate part of its application for project approval. The agreement  
5 shall not take effect until approved by ordinance of the  
6 municipality. Any amendments or modifications of the agreement  
7 made thereafter shall be by mutual consent of the municipality and  
8 the urban renewal entity, and shall be subject to approval by  
9 ordinance of the municipal governing body upon recommendation  
10 of the mayor or other chief executive officer of the municipality  
11 prior to taking effect.

12       The financial agreement shall be in the form of a contract  
13 requiring full performance within 30 years from the date of  
14 completion of the project, and shall include the following:

15       a. That the profits of or dividends payable by the urban  
16 renewal entity shall be limited according to terms appropriate for  
17 the type of entity in conformance with the provisions of P.L.1991,  
18 c.431 (C.40A:20-1 et seq.).

19       b. That all improvements and land, to the extent authorized  
20 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the  
21 project to be constructed or acquired by the urban renewal entity  
22 shall be exempt from taxation as provided in P.L.1991, c.431  
23 (C.40A:20-1 et seq.).

24       c. That the urban renewal entity shall make payments for  
25 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et  
26 seq.).

27       d. That the urban renewal entity shall submit annually, within  
28 90 days after the close of its fiscal year, its auditor's reports to the  
29 mayor and governing body of the municipality **【and to the Director**  
30 **of the Division of Local Government Services in the Department of**  
31 **Community Affairs】.**

32       e. That the urban renewal entity shall, upon request, permit  
33 inspection of property, equipment, buildings and other facilities of  
34 the entity, and also permit examination and audit of its books,  
35 contracts, records, documents and papers by authorized  
36 representatives of the municipality or the State.

37       f. That in the event of any dispute between the parties matters  
38 in controversy shall be resolved by arbitration in the manner  
39 provided in the financial agreement.

40       g. That operation under the financial agreement shall be  
41 terminable by the urban renewal entity in the manner provided by  
42 P.L.1991, c.431 (C.40A:20-1 et seq.).

43       h. That the urban renewal entity shall at all times prior to the  
44 expiration or other termination of the financial agreement remain  
45 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

46       The financial agreement shall contain detailed representations  
47 and covenants by the urban renewal entity as to the manner in  
48 which it proposes to use, manage or operate the project. The

1 financial agreement shall further set forth the method for computing  
2 gross revenue for the urban renewal entity, the method of  
3 determining insurance, operating and maintenance expenses paid by  
4 a tenant which are ordinarily paid by a landlord, the plans for  
5 financing the project, including the estimated total project cost, the  
6 amortization rate on the total project cost, the source of funds, the  
7 interest rates to be paid on the construction financing, the source  
8 and amount of paid-in capital, the terms of mortgage amortization  
9 or payment of principal on any mortgage, a good faith projection of  
10 initial sales prices of any condominium units and expenses to be  
11 incurred in promoting and consummating such sales, and the rental  
12 schedules and lease terms to be used in the project. Any financial  
13 agreement may allow the municipality to levy an annual  
14 administrative fee, not to exceed two percent of the annual service  
15 charge.

16 (cf: P.L.2003, c.125, s.9)

17

18 <sup>1</sup>~~32.~~ <sup>2</sup>~~31.1~~ <sup>3</sup>~~30.2~~ 29.<sup>3</sup> Section 12 of P.L.1991, c.431  
19 (C.40A:20-12) is amended to read as follows:

20 12. The rehabilitation or improvements made in the development  
21 or redevelopment of a redevelopment area or area appurtenant  
22 thereto or for a redevelopment relocation housing project, pursuant  
23 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from  
24 taxation for a limited period as hereinafter provided. When housing  
25 is to be constructed, acquired or rehabilitated by an urban renewal  
26 entity, the land upon which that housing is situated shall be exempt  
27 from taxation for a limited period as hereinafter provided. The  
28 exemption shall be allowed when the clerk of the municipality  
29 wherein the property is situated shall certify to the municipal tax  
30 assessor that a financial agreement with an urban renewal entity for  
31 the development or the redevelopment of the property, or the  
32 provision of a redevelopment relocation housing project, or the  
33 provision of a low and moderate income housing project has been  
34 entered into and is in effect as required by P.L.1991, c.431  
35 (C.40A:20-1 et seq.).

36 Delivery by the municipal clerk to the municipal tax assessor of  
37 a certified copy of the ordinance of the governing body approving  
38 the tax exemption and financial agreement with the urban renewal  
39 entity shall constitute the required certification. For each  
40 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et  
41 al.), upon certification as required hereunder, the tax assessor shall  
42 implement the exemption and continue to enforce that exemption  
43 without further certification by the clerk until the expiration of the  
44 entitlement to exemption by the terms of the financial agreement or  
45 until the tax assessor has been duly notified by the clerk that the  
46 exemption has been terminated.

47 **U**pon the adoption of a financial agreement pursuant to  
48 P.L.1991, c.431 (C.40A:20-1 et seq.), a certified copy of the

1 ordinance of the governing body approving the tax exemption and  
2 the financial agreement with the urban renewal entity shall  
3 forthwith be transmitted to the Director of the Division of Local  
4 Government Services.】

5 Whenever an exemption status changes during a tax year, the  
6 procedure for the apportionment of the taxes for the year shall be  
7 the same as in the case of other changes in tax exemption status  
8 during the tax year. Tax exemptions granted pursuant to P.L.2003,  
9 c.125 (C.40A:12A-4.1 et al.) represent long term financial  
10 agreements between the municipality and the urban renewal entity  
11 and as such constitute a single continuing exemption from local  
12 property taxation for the duration of the financial agreement. The  
13 validity of a financial agreement or any exemption granted pursuant  
14 thereto may be challenged only by filing an action in lieu of  
15 prerogative writ within 20 days from the publication of a notice of  
16 the adoption of an ordinance by the governing body granting the  
17 exemption and approving the financial agreement. Such notice  
18 shall be published in a newspaper of general circulation in the  
19 municipality and in a newspaper of general circulation in the county  
20 if different from the municipal newspaper.

21 a. The duration of the exemption for urban renewal entities  
22 shall be as follows: for all projects, a term of not more than 30 years  
23 from the completion of the entire project, or unit of the project if  
24 the project is undertaken in units, or not more than 35 years from  
25 the execution of the financial agreement between the municipality  
26 and the urban renewal entity.

27 b. During the term of any exemption, in lieu of any taxes to be  
28 paid on the buildings and improvements of the project and, to the  
29 extent authorized pursuant to this section, on the land, the urban  
30 renewal entity shall make payment to the municipality of an annual  
31 service charge, which shall remit a portion of that revenue to the  
32 county as provided hereinafter. In addition, the municipality may  
33 assess an administrative fee, not to exceed two percent of the annual  
34 service charge, for the processing of the application. The annual  
35 service charge for municipal services supplied to the project to be  
36 paid by the urban renewal entity for any period of exemption, shall  
37 be determined as follows:

38 (1) An annual amount equal to a percentage determined  
39 pursuant to this subsection and section 11 of P.L.1991, c.431  
40 (C.40A:20-11), of the annual gross revenue from each unit of the  
41 project, if the project is undertaken in units, or from the total  
42 project, if the project is not undertaken in units. The percentage of  
43 the annual gross revenue shall not be more than 15% in the case of  
44 a low and moderate income housing project, nor less than 10% in  
45 the case of all other projects.

46 At the option of the municipality, or where because of the nature  
47 of the development, ownership, use or occupancy of the project or  
48 any unit thereof, if the project is to be undertaken in units, the total

1 annual gross rental or gross shelter rent or annual gross revenue  
2 cannot be reasonably ascertained, the governing body shall provide  
3 in the financial agreement that the annual service charge shall be a  
4 sum equal to a percentage determined pursuant to this subsection  
5 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total  
6 project cost or total project unit cost determined pursuant to  
7 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day  
8 of the month following the substantial completion of the project or  
9 any unit thereof, if the project is undertaken in units. The  
10 percentage of the total project cost or total project unit cost shall not  
11 be more than 2% in the case of a low and moderate income housing  
12 project, and shall not be less than 2% in the case of all other  
13 projects.

14 (2) In either case, the financial agreement shall establish a  
15 schedule of annual service charges to be paid over the term of the  
16 exemption period, which shall be in stages as follows:

17 (a) For the first stage of the exemption period, which shall  
18 commence with the date of completion of the unit or of the project,  
19 as the case may be, and continue for a time of not less than six years  
20 nor more than 15 years, as specified in the financial agreement, the  
21 urban renewal entity shall pay the municipality an annual service  
22 charge for municipal services supplied to the project in an annual  
23 amount equal to the amount determined pursuant to paragraph (1) of  
24 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).  
25 For the remainder of the period of the exemption, if any, the annual  
26 service charge shall be determined as follows:

27 (b) For the second stage of the exemption period, which shall  
28 not be less than one year nor more than six years, as specified in the  
29 financial agreement, an amount equal to either the amount  
30 determined pursuant to paragraph (1) of this subsection and section  
31 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of  
32 taxes otherwise due on the value of the land and improvements,  
33 whichever shall be greater;

34 (c) For the third stage of the exemption period, which shall not  
35 be less than one year nor more than six years, as specified in the  
36 financial agreement, an amount equal to either the amount  
37 determined pursuant to paragraph (1) of this subsection and section  
38 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of  
39 taxes otherwise due on the value of the land and improvements,  
40 whichever shall be greater;

41 (d) For the fourth stage of the exemption period, which shall not  
42 be less than one year nor more than six years, as specified in the  
43 financial agreement, an amount equal to either the amount  
44 determined pursuant to paragraph (1) of this subsection and section  
45 11 of P.L.1991, c.431 (C.40A:20-11), or 60% of the amount of  
46 taxes otherwise due on the value of the land and improvements,  
47 whichever shall be greater; and

1 (e) For the final stage of the exemption period, the duration of  
2 which shall not be less than one year and shall be specified in the  
3 financial agreement, an amount equal to either the amount  
4 determined pursuant to paragraph (1) of this subsection and section  
5 11 of P.L.1991, c.431 (C.40A:20-11), or 80% of the amount of  
6 taxes otherwise due on the value of the land and improvements,  
7 whichever shall be greater.

8 If the financial agreement provides for an exemption period of  
9 less than 30 years from the completion of the entire project, or less  
10 than 35 years from the execution of the financial agreement, the  
11 financial agreement shall set forth a schedule of annual service  
12 charges for the exemption period which shall be based upon the  
13 minimum service charges and staged adjustments set forth in this  
14 section.

15 The annual service charge shall be paid to the municipality on a  
16 quarterly basis in a manner consistent with the municipality's tax  
17 collection schedule.

18 Each municipality which enters into a financial agreement on or  
19 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)  
20 shall remit 5 percent of the annual service charge to the county  
21 upon receipt of that charge in accordance with the provisions of this  
22 section.

23 Against the annual service charge the urban renewal entity shall  
24 be entitled to credit for the amount, without interest, of the real  
25 estate taxes on land paid by it in the last four preceding quarterly  
26 installments.

27 Notwithstanding the provisions of this section or of the financial  
28 agreement, the minimum annual service charge shall be the amount  
29 of the total taxes levied against all real property in the area covered  
30 by the project in the last full tax year in which the area was subject  
31 to taxation, and the minimum annual service charge shall be paid in  
32 each year in which the annual service charge calculated pursuant to  
33 this section or the financial agreement would be less than the  
34 minimum annual service charge.

35 c. All exemptions granted pursuant to the provisions of  
36 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time  
37 prescribed in the financial agreement.

38 Upon the termination of the exemption granted pursuant to the  
39 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all  
40 affected parcels, land and all improvements made thereto shall be  
41 assessed and subject to taxation as are other taxable properties in  
42 the municipality. After the date of termination, all restrictions and  
43 limitations upon the urban renewal entity shall terminate and be at  
44 an end upon the entity's rendering its final accounting to and with  
45 the municipality.

46 (cf: P.L.2003, c.125, s.11)

47

1       <sup>3</sup>[<sup>1</sup>[33.] <sup>2</sup>[32.<sup>1</sup>] 31. Section 6 of P.L.1953, c.410 (C.47:3-20) is  
2 amended to read as follows:

3       6. No such schedule shall be operative unless approved by the  
4 State Records Committee which is hereby established in the State  
5 Department of Education and which shall consist of the State  
6 Treasurer, the Attorney-General, the State Auditor, a person,  
7 appointed by the Director of the Division of Local Government  
8 Services in the Department of [the Treasury] Community Affairs,  
9 who holds a registered municipal clerk certificate issued pursuant to  
10 N.J.S.40A:9-133 et seq., and the head of the Bureau of Archives  
11 and History in the Department of Education. Each member of the  
12 committee may designate in writing a representative to act in his  
13 place on said committee.

14       The State Records Committee shall have the powers and duties  
15 prescribed for it herein and shall make and promulgate such  
16 regulations, not inconsistent with law, as may be necessary to  
17 adequately effectuate such powers and duties.

18 (cf: P.L.1953, c.410, s.6)]<sup>3</sup>

19

20       <sup>1</sup>[34.] <sup>2</sup>[33.<sup>1</sup>] <sup>3</sup>[32.<sup>2</sup>] 30.<sup>3</sup> Section 14 of P.L.1947, c.151  
21 (C.52:27BB-14) is amended to read as follows:

22       14. The board shall adopt rules of procedure to govern hearings  
23 and other proceedings before the board. The board may hold  
24 hearings at the office of the director, or any other place convenient  
25 to the parties. The rules of procedure adopted by the board shall  
26 govern all hearings and a record of proceedings shall be taken,  
27 which at the request of a party to the hearing may be stenographic.  
28 Decision shall be made by a majority vote of the board ; provided,  
29 however, that the board shall not authorize fees charged for  
30 financings that are greater than 0.125 percent of the par value of the  
31 bonds to be issued unless the same is approved by at least a two-  
32 thirds majority of the board.

33 (cf: P.L.1947, c.151, s.14)

34

35       <sup>1</sup>[35.] <sup>2</sup>[34.<sup>1</sup>] <sup>3</sup>[33.<sup>2</sup>] 31.<sup>3</sup> R.S.54:4-65 is amended to read as  
36 follows:

37       54:4-65. a. The Director of the Division of Local Government  
38 Services in the Department of Community Affairs shall approve the  
39 form and content of property tax bills.

40       b. (1) Each tax bill shall have printed thereon a brief tabulation  
41 showing the distribution of the amount raised by taxation in the  
42 taxing district, in such form as to disclose the rate per \$100.00 of  
43 assessed valuation or the number of cents in each dollar paid by the  
44 taxpayer which is to be used for the payment of State school taxes,  
45 other State taxes, county taxes, local school expenditures, free  
46 public library taxes, and other local expenditures. The last named  
47 item may be further subdivided so as to show the amount for each

1 of the several departments of the municipal government. In lieu of  
 2 printing such information on the tax bill, any municipality may  
 3 furnish the tabulation required hereunder and any other pertinent  
 4 information in a statement accompanying the mailing or delivery of  
 5 the tax bill.

6 (2) When a parcel receives a homestead property tax credit  
 7 pursuant to the provisions of P.L.2007, c.62 (C.18A:7F-37 et al.),  
 8 the amount of the credit shall be included with the tax calculation as  
 9 a reduction in the total tax calculation for the year. One-half of the  
 10 amount of the credit shall be deducted from taxes otherwise due for  
 11 the third installment and the remaining one-half shall be deducted  
 12 from taxes otherwise due for the fourth installment.

13 (3) There shall be included on or with the tax bill the delinquent  
 14 interest rate or rates to be charged and any end of year penalty that  
 15 is authorized and any other such information that the director may  
 16 require from time to time.

17 c. The tax bill shall also include a **[calculation stating]**  
 18 statement about the availability of, on the Internet website of the  
 19 Department of Community Affairs, the amounts of State aid and  
 20 assistance received by the municipality, school districts, special  
 21 districts, free public libraries, **[and]** county governments that offset  
 22 property taxes that are otherwise due on each parcel. The tax bill  
 23 shall also include the link to the Internet website of the Department  
 24 of Community Affairs containing this information. The director  
 25 shall **[certify to each tax collector]** cause the amounts of said State  
 26 aid and assistance that shall serve as the basis for the calculation for  
 27 each parcel to be displayed on the Internet website of the  
 28 Department of Community Affairs. The director shall set standards  
 29 for the **[calculation and]** display of the statement on the tax bill.

30 d. The tax bill or form mailed with the tax bill shall include  
 31 thereon the date upon which each installment is due.

32 e. If a property tax bill includes in its calculation a homestead  
 33 property tax credit, the bill shall, in addition to the calculation  
 34 showing taxes due, either display a notice concerning the credit on  
 35 the face of the property tax bill or with a separate notice, with the  
 36 content and wording as the director provides.

37 (cf: P.L.2011, c.38, s.5)

38

39 <sup>1</sup>**[36.]** <sup>2</sup>**[35.1]** <sup>3</sup>**[34.2]** 32.<sup>3</sup> Section 9 of P.L.1985, c.334  
 40 (C.58:11B-9) is amended to read as follows:

41 9. a. (1) The trust may make and contract to make loans to  
 42 local government units, or to a local government unit on behalf of  
 43 another local government unit, in accordance with and subject to the  
 44 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
 45 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater  
 46 treatment system project or water supply project, which the local

1 government unit may lawfully undertake or acquire and for which  
2 the local government unit is authorized by law to borrow money.

3 (2) The trust may make and contract to make loans to public  
4 water utilities, or to any other person or local government unit on  
5 behalf of a public water utility, in accordance with and subject to  
6 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
7 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply  
8 project, which the public water utility may lawfully undertake or  
9 acquire.

10 (3) The trust may make and contract to make loans to private  
11 persons other than local government units, or to any other person or  
12 local government unit on behalf of a private person, in accordance  
13 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1  
14 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost  
15 of stormwater management systems.

16 The loans may be made subject to those terms and conditions as  
17 the trust shall determine to be consistent with the purposes thereof.  
18 Each loan by the trust and the terms and conditions thereof shall be  
19 subject to approval by the State Treasurer, and the trust shall make  
20 available to the State Treasurer all information, statistical data and  
21 reports of independent consultants or experts as the State Treasurer  
22 shall deem necessary in order to evaluate the loan. Each loan to a  
23 local government unit, public water utility or any other person shall  
24 be evidenced by notes, bonds or other obligations thereof issued to  
25 the trust. In the case of each local government unit, notes and  
26 bonds to be issued to the trust <sup>2</sup>and, if applicable, the State, acting  
27 by and through the Department of Environmental Protection,<sup>2</sup> by  
28 the local government unit (1) shall be authorized and issued as  
29 provided by law for the issuance of notes and bonds by the local  
30 government unit, (2) <sup>2</sup>notwithstanding any provisions of the "Local  
31 Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et  
32 seq.) to the contrary,<sup>2</sup> shall be approved by [the Local Finance  
33 Board in] the <sup>2</sup>Director of the<sup>2</sup> Division of Local Government  
34 Services in the Department of Community Affairs, and (3) <sup>2</sup>  
35 notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28  
36 and N.J.S.40A:2-29 or any other provisions of law to the contrary,  
37 may be sold at private sale to the trust <sup>2</sup>or the State, as the case may  
38 be,<sup>2</sup> at any price, whether or not less than par value, and shall be  
39 subject to redemption prior to maturity at any times and at any  
40 prices as the trust <sup>2</sup>or the State, as the case may be,<sup>2</sup> and local  
41 government units may agree. Each loan to a local government unit,  
42 public water utility or any other person and the notes, bonds or  
43 other obligations thereby issued shall bear interest at a rate or rates  
44 per annum as the trust <sup>2</sup>or the State, as the case may be,<sup>2</sup> and the  
45 local government unit, public water utility or any other person, as  
46 the case may be, may agree.

1       b. The trust is authorized to guarantee or contract to guarantee  
2 the payment of all or any portion of the principal and interest on  
3 bonds, notes or other obligations issued by a local government unit  
4 to finance the cost of any wastewater treatment system project or  
5 water supply project, which the local government unit may lawfully  
6 undertake or acquire and for which the local government unit is  
7 authorized by law to borrow money, and the guarantee shall  
8 constitute an obligation of the trust for the purposes of P.L.1985,  
9 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et  
10 al.). Each guarantee by the trust and the terms and conditions  
11 thereof shall be subject to approval by the State Treasurer, and the  
12 trust shall make available to the State Treasurer all information,  
13 statistical data and reports of independent consultants or experts as  
14 the State Treasurer shall deem necessary in order to evaluate the  
15 guarantee.

16       c. The trust shall not make or contract to make any loans or  
17 guarantees to local government units, public water utilities or any  
18 other person, or otherwise incur any additional indebtedness, on or  
19 after June 30, 2033.

20       d. Notwithstanding any provision of P.L.1985, c.334  
21 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to  
22 the contrary, the trust may receive funds from any source or issue  
23 its bonds, notes or other obligations in any principal amounts as in  
24 the judgment of the trust shall be necessary to provide sufficient  
25 funds to finance or refinance short-term or temporary loans to local  
26 government units, public water utilities or private persons for any  
27 wastewater treatment system projects included on the project  
28 priority list and eligible for approval pursuant to section 20 of  
29 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
30 the project priority list and eligible for approval pursuant to section  
31 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without  
32 regard to any other provisions of P.L.1985, c.334 or P.L.1997,  
33 c.224, including, without limitation, any administrative or  
34 legislative approvals.

35       The trust shall create and establish a special fund (hereinafter  
36 referred to as the "Interim Financing Program Fund") for the short-  
37 term or temporary loan financing or refinancing program  
38 (hereinafter referred to as the "Interim Financing Program").

39       Any short-term or temporary loans made by the trust pursuant to  
40 this subsection may only be made in advance of the anticipated  
41 loans the trust may make and contract to make under the provisions  
42 of subsection a. of this section from any source of funds anticipated  
43 to be received by the trust. Any such short-term or temporary loan  
44 made pursuant to the Interim Financing Program shall mature no  
45 later than the last day of the third succeeding fiscal year following  
46 the closing date on which the short-term or temporary loan was  
47 made by the trust to the project sponsor. The trust may make short-  
48 term or temporary loans pursuant to the Interim Financing Program

1 to any one or more of the project sponsors, for the respective  
2 projects thereof, identified in the interim financing project priority  
3 list (hereinafter referred to as the "Interim Financing Program  
4 Eligibility List") in the form provided to the Legislature by the  
5 Commissioner of Environmental Protection.

6 Incremental revisions or supplements to the Interim Financing  
7 Program Eligibility List may be submitted to the Legislature at any  
8 time between January 15th and May 15th of each year.

9 The Interim Financing Program Eligibility List, including any  
10 revision thereof or supplement thereto, shall be submitted to the  
11 Legislature on or before June 30 of each year on a day when both  
12 Houses are meeting. The President of the Senate and the Speaker of  
13 the General Assembly shall cause the date of submission to be  
14 entered upon the Senate Journal and the Minutes of the General  
15 Assembly, respectively. Any environmental infrastructure project  
16 or the project sponsor thereof not identified in the Interim Financing  
17 Program Eligibility List shall not be eligible for a short-term or  
18 temporary loan from the Interim Financing Program Fund.

19 (cf: P.L.2013, c.93, s.3)

20

21 <sup>3</sup>~~235.~~ 33.<sup>3</sup> N.J.S.40A:2-11 is amended to read as follows:

22 40A:2-11. a. No bond ordinance shall be finally adopted unless  
23 it appropriates to the purpose, or ratably to the respective purposes  
24 to be financed, in addition to the obligations thereby authorized, a  
25 sum as a down payment which is not less than 5% of the amount of  
26 the obligations authorized.

27 b. Said sum so appropriated as a down payment must have been  
28 made available prior to final adoption of the bond ordinance from  
29 any one or more of the following:

30 1. by provision in a previously adopted budget or budgets of  
31 the local unit for down payment or for capital improvement  
32 purposes;

33 2. from moneys then actually held by the local unit and  
34 previously contributed for such purpose other than by the local unit;  
35 or

36 3. by emergency appropriation.

37 c. The provisions of this section shall not apply to a bond  
38 ordinance which authorizes obligations solely for any purpose  
39 referred to in paragraphs a, b, c, d, e and h of section 40A:2-7 or for  
40 those bond ordinances which involve projects funded by State  
41 grants such as Green Acres, **【Environmental Trust Fund,】**  
42 **Transportation Trust Fund, and other similar programs , or for those**  
43 **bond ordinances which involve environmental infrastructure**  
44 **projects, as defined in section 3 of P.L.1985, c.334 (C.58:11B-3),**  
45 **funded by loans from the "New Jersey Environmental Infrastructure**  
46 **Trust," created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-**  
47 **4), or the State, acting by and through the Department of**

1 Environmental Protection.<sup>2</sup>

2 (cf: P.L.2003, c.15, s.2)

3

4 <sup>3</sup>[<sup>2</sup>36.] 34.<sup>3</sup> N.J.S.40A:2-32 is amended to read as follows:

5 40A:2-32. a. (1) All bidders shall be required to deposit cash  
6 delivered by wire or otherwise or a certified or cashier's or  
7 treasurer's check, drawn upon a bank or trust company, equal to not  
8 less than 2% of the bonds to secure the local unit in part from any  
9 loss resulting from the failure of the bidder to comply with the  
10 terms of his bid, or as liquidated damages for such failure.

11 (2) The local finance board may adopt rules to permit local units  
12 to accept a financial surety bond in lieu of a certified, cashier's or  
13 treasurer's check as required in paragraph (1) of this subsection.

14 b. All sealed bids for bonds shall be publicly opened and  
15 announced, and all bids received electronically shall be received  
16 and announced, at the advertised time and place of sale, except  
17 upon a postponement and recommencement of the public sale made  
18 in accordance with the provisions of subsection b. of N.J.S.40A:2-  
19 30 in which case such bids or proposals shall be publicly opened,  
20 received and announced, as appropriate, at the postponed and  
21 recommenced date. Such bids as comply with the terms of the  
22 notice of sale shall be considered, and any bid not complying with  
23 the terms of such notice may be rejected. All bids received may be  
24 rejected.

25 c. Bonds of two or more issues may be sold on the basis of  
26 combined maturities, or the maturities of each issue offered for sale.

27 d. Bonds may be offered for sale at a single rate of interest, or  
28 bidders may be requested to name a single rate of interest, but no  
29 proposal shall be considered which offers to pay less than the  
30 principal amount of bonds offered for sale or which names a rate of  
31 interest higher than the lowest rate of interest stated in any legally  
32 acceptable proposal. As between proposals naming the same lowest  
33 rate of interest, the proposal offering to accept the least amount of  
34 bonds shall be accepted, the bonds to be accepted shall be those  
35 first maturing, and as between such proposals, the proposal offering  
36 to pay the greatest premium shall be accepted. The amount of  
37 premium bid for the bonds shall in no event exceed \$1,000.00 for  
38 the principal amount of bonds offered for sale. In order to effect  
39 the foregoing, a sufficient number of the last maturing bonds shall  
40 be of the denomination of \$1,000.00 or less.

41 e. (1) Bonds may be offered for sale at different rates of interest  
42 for the same issue or different rates of interest for different issues,  
43 or parts thereof, or bidders may be requested to name any such rates  
44 of interest. No proposal shall be considered under which the total  
45 loan is made at an interest cost higher than the lowest net interest  
46 cost or the true interest cost to the local unit under any legally  
47 acceptable proposal. The governing body shall specify in its notice

1 of public sale advertised pursuant to N.J.S.40A:2-30 whether the  
2 award shall be based on net interest cost or true interest cost.

3 (2) The net interest cost shall be computed by adding to the total  
4 principal amount of bonds bid for, the total interest cost to maturity  
5 in accordance with such bid and by deduction therefrom of the  
6 amount of premium, if any, bid or the addition thereto of the  
7 amount of discount, if any, bid.

8 (3) The true interest cost shall be computed in each instance by  
9 determining the interest rate, compounded semi-annually, necessary  
10 to discount the debt service payments to the date of the bonds and  
11 to the price bid, excluding interest accrued to the delivery date.

12 f. The governing body may establish additional terms or  
13 conditions of sale.

14 g. The governing body may, by resolution, allow or otherwise  
15 delegate to a finance officer the authority to permit bidders to  
16 aggregate consecutive principal maturities for which such bidder  
17 bid the same interest rate into term bonds, provided that mandatory  
18 sinking funds for which redemptions in lieu of the principal  
19 maturities are provided. For the purposes of this subsection "term  
20 bond" means a bond that is due in a certain year but has mandatory  
21 retirement provisions for portions of the term bond on specified  
22 dates prior to the maturity date of the term bond itself.<sup>2</sup>

23 (cf: P.L.2003, c.15, s.8)

24

25 <sup>3</sup>[<sup>2</sup>37.] 35.<sup>3</sup> Section 1 of P.L.1976, c.38 (C.40A:3-2) is amended  
26 to read as follows:

27 1. The Legislature finds and declares that:

28 a. Maintenance of strong financial credit in New Jersey  
29 municipalities is essential in providing necessary capital  
30 improvement or property at minimum cost, for the citizens of this  
31 State;

32 b. While the credit status of New Jersey's municipalities is  
33 sound, it can be strengthened by a pledge of and statutory lien on  
34 State Urban Aid, Gross Receipts Tax, State Revenue Sharing,  
35 Municipal Purposes Tax Assistance Fund distributions, Business  
36 Personal Property Tax Replacement Revenues and any other funds  
37 appropriated as State aid and not otherwise dedicated to specific  
38 municipal programs to guarantee debt service payments on qualified  
39 bonds;

40 c. Such a pledge and statutory lien should expand the market  
41 for and lower the interest costs on qualified bonds issued pursuant  
42 to the terms of **[this act]** P.L.1976, c.38, thus reducing the  
43 borrowing costs of participating municipalities.<sup>2</sup>

44 (cf: P.L.1991, c.180, s.1)

45

46 <sup>3</sup>[<sup>2</sup>38.] 36.<sup>3</sup> Section 2 of P.L.1976, c.38 (C.40A:3-3) is  
47 amended to read as follows:

- 1       2. For the purposes of **【this act】** P.L.1976, c.38, unless the  
2 context clearly requires a different meaning:
- 3       a. "Business Personal Property Tax Replacement Revenues"  
4 means the funds distributed to municipalities pursuant to P.L.1966,  
5 c.135 (C.54:11D-1 et seq.) or pursuant to any other law hereafter  
6 enacted providing for funds to municipalities in lieu of or in  
7 substitution for or supplementing the funds presently provided  
8 pursuant to P.L.1966, c.135 (C.54:11D-1 et seq.);
- 9       b. "Debt service" means and includes payments of principal  
10 and interest upon qualified bonds issued pursuant to the terms of  
11 **【this act】** P.L.1976, c.38 or amounts required in order to satisfy  
12 sinking fund payment requirements and any other amounts,  
13 including fees and charges due under the applicable documents,  
14 with respect to such bonds;
- 15       c. "Director" means Director of the Division of Local  
16 Government Services in the Department of Community Affairs,  
17 established pursuant to P.L.1974, c.35 (C.52:27D-18.1);
- 18       d. "Local Finance Board" means the Local Finance Board in  
19 the Division of Local Government Services in the Department of  
20 Community Affairs, established pursuant to P.L.1974, c.35  
21 (C.52:27D-18.1);
- 22       e. "Paying agent" means any bank, trust company or national  
23 banking association having the power to accept and administer  
24 trusts, named or designated in any qualified bond of a municipality  
25 as the agent for the payment of the principal of and interest thereon  
26 and shall include the holder of any sinking fund established for the  
27 payment of such bonds;
- 28       f. "Qualified bonds" means those bonds of a municipality  
29 authorized and issued in conformity with the provisions of **【this**  
30 **act】** P.L.1976, c.38;
- 31       g. "State urban aid" means the funds made available to  
32 municipalities pursuant to P.L.1971, c.64 and all acts  
33 supplementing that act or pursuant to any other law hereafter  
34 enacted providing for funds to municipalities in lieu of or in  
35 substitution for the funds presently provided pursuant to acts  
36 supplementing P.L.1971, c.64;
- 37       h. "State revenue sharing" means the funds made available to  
38 municipalities pursuant to P.L.1976, c.73 (C.54A:10-1 et seq.) or  
39 pursuant to any other law hereafter enacted providing for funds to  
40 municipalities in lieu of or in substitution for the funds presently  
41 provided pursuant to P.L.1976, c.73;
- 42       i. "Gross receipts tax revenues" means funds collected pursuant  
43 to P.L.1940, c.4 (C.54:30A-16 et seq.) and P.L.1940, c.5  
44 (C.54:30A-49 et seq.), and apportioned and paid to municipalities  
45 pursuant to those acts; and
- 46       j. "Municipal Purposes Tax Assistance Fund distributions"  
47 means the moneys distributed to municipalities from the "Municipal  
48 Purposes Tax Assistance Fund" pursuant to the "Municipal

1 Purposes Tax Assistance Act of 1980," P.L.1980, c.12 (C.54:1-46 et  
2 seq.), or pursuant to any other law hereafter enacted for the  
3 distribution of moneys to municipalities in lieu of or in substitution  
4 for the monies distributed pursuant to the "Municipal Purposes Tax  
5 Assistance Act of 1980," P.L.1980, c.12 (C.54:1-46 et seq.).<sup>2</sup>  
6 (cf: P.L.1991, c.180, s.2)  
7

8 <sup>3</sup>[<sup>2</sup>39.] 37.<sup>3</sup> Section 4 of P.L.1976, c.38 (C.40A:3-5) is  
9 amended to read as follows:

10 4. a. All qualified bonds when issued shall contain a recital to  
11 the effect that they are issued pursuant to Title 40 of the Revised  
12 Statutes or Title 40A of the New Jersey Statutes and are entitled to  
13 the benefits of the provisions of **[this act]** P.L.1976, c.38. Except  
14 as otherwise provided in **[this act]** P.L.1976, c.38, all qualified  
15 bonds shall be authorized and issued in the manner provided for in  
16 Title 40 or Title 40A. Qualified bonds shall mature not later than  
17 30 years from their date of issuance without regard to any  
18 limitations as to maturities or amounts of annual installments for  
19 bonds as provided in Title 40 or Title 40A.

20 b. The proceedings of the municipality authorizing the issuance  
21 of qualified bonds **[may]** shall contain such covenants and  
22 provisions for protecting and enforcing the rights and remedies of  
23 the bondholders as set forth in P.L.1976, c.38 or as may be  
24 reasonable and proper and not in violation of law, including  
25 covenants restricting the issuance of additional qualified bonds.<sup>2</sup>  
26 (cf: P.L.1976, c.38, s.4)  
27

28 <sup>3</sup>[<sup>2</sup>40.] 38.<sup>3</sup> Section 6 of P.L.1976, c.38 (C.40A:3-7) is  
29 amended to read as follows:

30 6. a. Each municipality which issues qualified bonds shall  
31 certify to the State Treasurer the name and address of the paying  
32 agent, the maturity schedule, interest rate and dates of payment of  
33 debt service on such qualified bonds within 10 days after the date of  
34 issuance of such qualified bonds. After receipt of such certificate  
35 the State Treasurer shall withhold from the amount of business  
36 personal property tax replacement revenues, gross receipts tax  
37 revenues, municipal purposes tax assistance fund distributions,  
38 State urban aid, State revenue sharing and any other funds  
39 appropriated as State aid and not otherwise dedicated to specific  
40 municipal programs payable to such municipality an amount of such  
41 business personal property tax replacement revenues, gross receipts  
42 tax revenues, municipal purposes tax assistance fund distributions,  
43 State urban aid, State revenue sharing and any other funds  
44 appropriated as State aid and not otherwise dedicated to specific  
45 municipal programs which will be sufficient to pay the debt service  
46 on such qualified bonds as the same shall mature and become due.  
47 The State Treasurer shall, on or before each principal and interest

1 payment date, forward such withheld amounts to the paying agent  
2 for such qualified bonds for deposit to the account established with  
3 such paying agent for the purpose of paying the debt service on  
4 such qualified bonds. **【From the time withheld by the State**  
5 **Treasurer all such】** Notwithstanding any other provision of law to  
6 the contrary, a statutory lien and trust is automatically and without  
7 further act or filing created and impressed upon the business  
8 personal property tax replacement [revenue] revenues, gross  
9 receipts tax revenues, municipal purposes tax assistance fund  
10 distributions, State urban aid, State revenue sharing , and any other  
11 funds appropriated as State aid and not otherwise dedicated to  
12 specific municipal programs so payable to such municipality that  
13 are withheld [and paid] or are required to be [paid to and held by  
14 the paying agent] withheld by the State Treasurer under P.L.1976,  
15 c.38 (C.40A:3-1 et seq.), which statutory lien and trust shall be  
16 paramount and superior to all other liens and interests of any kind in  
17 favor of the holders of qualified bonds, for the sole purpose of  
18 paying debt service on the qualified bonds issued pursuant to  
19 P.L.1976, c.38 (C.40A:3-1 et seq.). The lien created under this  
20 subsection for the benefit of bondholders is perfected without  
21 delivery, recording, or notice. All such business personal property  
22 tax replacement revenues, gross receipts tax revenues, municipal  
23 purposes tax assistance fund distributions, State urban aid, State  
24 revenue sharing, and any other funds appropriated as State aid and  
25 not otherwise dedicated to specific municipal programs that are  
26 withheld or are required to be withheld by the State Treasurer under  
27 P.L.1976, c.38 (C.40A:3-1 et seq.) shall be exempt from being  
28 levied upon, taken, sequestered , or applied toward paying the debts  
29 of the municipality other than for payment of debt service on such  
30 qualified bonds. 【From the time withheld by the State Treasurer  
31 the】 All such business personal property tax replacement **【revenue】**  
32 revenues, gross receipts tax revenues, municipal purposes tax  
33 assistance fund distributions, State urban aid, State revenue  
34 sharing , and any other funds appropriated as State aid and not  
35 otherwise dedicated to specific municipal programs [so] that are  
36 withheld [and paid] or are required to be [paid to the paying  
37 agent] withheld by the State Treasurer under P.L.1976, c.38  
38 (C.40A:3-1 et seq.) shall be deemed to be held in trust for the sole  
39 purpose of paying the debt service on such qualified bonds.

40 b. The State of New Jersey hereby covenants with the  
41 purchasers, holders and owners, from time to time, of qualified  
42 bonds that it will not repeal, revoke, rescind, modify or amend the  
43 provisions of subsection a. of this section so as to create any lien or  
44 charge on or pledge, assignment, diversion, withholding payment or  
45 other use of or deduction from any business personal property tax  
46 replacement revenues, gross receipts tax revenues, municipal  
47 purposes tax assistance fund distributions, State urban aid, State

1 revenue sharing or any other funds appropriated as State aid and not  
 2 otherwise dedicated to specific municipal programs to be  
 3 apportioned and paid to any paying agent of qualified bonds which  
 4 is prior in time or superior in right to the payment required by  
 5 subsection a. of this section; provided, however, that nothing herein  
 6 contained shall be deemed or construed to require the State of New  
 7 Jersey to continue to make payments of business personal property  
 8 tax replacement revenues, gross receipts tax revenues, municipal  
 9 purposes tax assistance fund distributions, State urban aid, State  
 10 revenue sharing or any other funds appropriated as State aid and not  
 11 otherwise dedicated to specific municipal programs or to limit or  
 12 prohibit the State from repealing or amending any law heretofore or  
 13 hereafter enacted for the payment or apportionment of said revenues  
 14 or aid or the manner, time, or amount thereof.

15 c. **【**The certification to the State Treasurer as to amount payable  
 16 in any year for debt service on such qualified bonds shall be fully  
 17 conclusive as to such qualified bonds from and after the time of  
 18 issuance of such qualified bonds notwithstanding any irregularity,  
 19 omission or failure as to compliance with any of the provisions of  
 20 this act with respect to such qualified bonds provided that such  
 21 qualified bonds contain a recital to the effect that they are entitled  
 22 to the benefits of the provisions of this act**】** It being the original  
 23 and continuing intent of the State that all such business personal  
 24 property tax replacement revenues, gross receipts tax revenues,  
 25 municipal purposes tax assistance fund distributions, State urban  
 26 aid, State revenue sharing, and any other funds appropriated as  
 27 State aid and not otherwise dedicated to specific municipal  
 28 programs that are withheld or are required to be withheld by the  
 29 State Treasurer under P.L.1976, c.38 (C.40A:3-1 et seq.) shall be  
 30 subject to a statutory lien and trust, the provisions of P.L. ,  
 31 c. (pending before the Legislature as this bill) shall apply to all  
 32 qualified bonds whether issued prior to or following enactment of  
 33 that act. All persons shall be forever estopped from denying that  
 34 **【**such**】** qualified bonds , whenever issued pursuant to subsection a.  
 35 above, are entitled to the benefits of the provisions of **【**this act**】**  
 36 P.L.1976, c.38 (C.40A:3-1 et seq.), including but not limited to the  
 37 statutory lien and trust created pursuant to subsection a. of this  
 38 section.<sup>2</sup>

39 (cf: P.L.1991, c.180, s.4)

40  
 41 <sup>3</sup>**【**<sup>241.</sup>**】** <sup>39.</sup><sup>3</sup> N.J.S.40A:4-53 is amended to read as follows:

42 40A:4-53. A local unit may adopt an ordinance authorizing  
 43 special emergency appropriations for the carrying out of any of the  
 44 following purposes:

45 a. Preparation of an approved tax map.

46 b. Preparation and execution of a complete program of  
 47 revaluation of real property for the use of the local assessor, or of

- 1 any program to update and make current any previous revaluation  
2 program when such is ordered by the county board of taxation.
- 3 c. Preparation of a revision and codification of its ordinances.
- 4 d. Engagement of special consultants for the preparation, and  
5 the preparation of a master plan or plans, when required to conform  
6 to the planning laws of the State.
- 7 e. Preparation of drainage maps for flood control purposes.
- 8 f. Preliminary engineering studies and planning necessary for  
9 the installation and construction of a sanitary sewer system.
- 10 g. Authorized expenses of a consolidation commission  
11 established pursuant to the "Municipal Consolidation Act,"  
12 P.L.1977, c.435 (C.40:43-66.35 et seq.) or the "Uniform Shared  
13 Services and Consolidation Act," sections 1 through 35 of P.L.2007,  
14 c.63 (C.40A:65-1 through C.40A:65-35).
- 15 h. Contractually required severance liabilities resulting from  
16 the layoff or retirement of employees. Such liabilities shall be paid  
17 without interest and, at the sole discretion of the local unit, may be  
18 paid in equal annual installments over a period not to exceed five  
19 years.
- 20 i. Preparation of a sanitary or storm system map.
- 21 j. Liabilities incurred to the Department of Labor and  
22 Workforce Development for the reimbursement of unemployment  
23 benefits paid to former employees.
- 24 A copy of all ordinances or resolutions as adopted relating to  
25 special emergency appropriations shall be filed with the director.<sup>2</sup>  
26 (cf: P.L.2010, c.46, s.1)  
27
- 28 <sup>3</sup>**[<sup>2</sup>42.] 40.**<sup>3</sup> Section 3 of P.L.1993, c.87 (C.40A:9-28.3) is  
29 amended to read as follows:
- 30 3. a. Commencing July 1, 1995, all county finance officer  
31 certificates shall be renewed upon application, payment of the  
32 required fee of \$50 and verification that the applicant has met  
33 continuing education requirements, all as set forth in this section.  
34 Each renewal shall be for a period of two years. The renewal date  
35 shall be 30 days prior to the expiration date.
- 36 b. Each applicant for renewal of a county finance officer  
37 certificate, on a form prescribed by the director, shall furnish proof  
38 of having earned at least 3.0 continuing education units in subject  
39 areas and minimum contact hours as prescribed by the director. For  
40 the purposes of this section, 1.0 continuing education unit equals 10  
41 contact hours. Upon verification of this requirement and upon  
42 payment of a fee of \$50 to the order of the Treasurer of the State of  
43 New Jersey, the director shall renew the county finance officer  
44 certificate.
- 45 c. When the holder of a county finance officer certificate has  
46 allowed the certificate to lapse by failing to renew the certificate, a  
47 new application and certificate shall be required. If application is  
48 made within six months of the expiration of the certificate, then

1 application may be made in the same manner as a renewal;  
2 provided, however, that such application may be made in the same  
3 manner as a renewal within 12 months of the expiration of the  
4 certificate if the director determines that either of the following  
5 circumstances prevents a certificate holder from earning the  
6 required continuing education units within six months of the  
7 expiration of the certificate:

8 (1) a flood, hurricane, superstorm, tornado, or other natural  
9 disaster, and a state of emergency has been declared as a result  
10 thereof by the Governor; or

11 (2) a medical event or condition.<sup>2</sup>

12 (cf: P.L.1993, c.87, s.3.)

13

14 <sup>3</sup>[<sup>2</sup>43.] 41.<sup>3</sup> Section 8 of P.L.1997, c.279 (C.40A:9-133.10) is  
15 amended to read as follows:

16 8. a. Commencing October 1, 1998 all registered municipal  
17 clerk certificates issued pursuant to section 3 or section 4 of  
18 P.L.1985, c.174 (C.40A:9-133.3 or C.40A:9-133.4), or section 7 of  
19 P.L.1997, c.279 (C.40A:9-133.9) shall be renewed upon  
20 application, payment of the required fee, and verification that the  
21 applicant has met the requirements as set forth in this section. Each  
22 renewal shall be for a period of two years. The renewal date shall  
23 be 30 days prior to the expiration date.

24 b. All registered municipal clerk certificates subject to renewal  
25 pursuant to this section issued prior to October 1, 1998 shall have  
26 an expiration date of September 30, 2000. All registered municipal  
27 clerk certificates issued on or after October 1, 1998 shall expire two  
28 years from the date on which the certificate was originally issued.

29 c. Each applicant for renewal of a registered municipal clerk  
30 certificate shall, on a form prescribed by the director, furnish proof  
31 of having earned at least 2.0 continuing education units in subject  
32 areas related to the statutory duties of the municipal clerk and  
33 minimum contact hours as prescribed by the director. For the  
34 purposes of this section, 1.0 continuing education unit equals 10  
35 contact hours. Upon verification of this requirement, and upon  
36 payment of a fee of \$50 to the order of the Treasurer of the State of  
37 New Jersey, the director shall renew the registered municipal clerk  
38 certificate.

39 d. Where the holder of a registered municipal clerk certificate  
40 has allowed the certificate to lapse by failing to renew the  
41 certificate, a new application and certificate shall be required. If  
42 application is made within six months of the expiration of the  
43 certificate, then application may be made in the same manner as  
44 renewal but the application shall be accompanied by the fee for a  
45 new application; provided, however, that such application may be  
46 made in the same manner as a renewal within 12 months of the  
47 expiration of the certificate if the director determines that either of  
48 the following circumstances prevents a certificate holder from

1 earning the required continuing education units within six months  
2 of the expiration of the certificate:

3 (1) a flood, hurricane, superstorm, tornado, or other natural  
4 disaster, and a state of emergency has been declared as a result  
5 thereof by the Governor; or

6 (2) a medical event or condition.<sup>2</sup>

7 (cf: P.L.1998, c.27, s.2)

8

9 <sup>3</sup>[<sup>2</sup>44.] 42.<sup>3</sup> Section 10 of P.L.1988, c.110 (C.40A:9-140.15) is  
10 amended to read as follows:

11 10. a. Commencing January 1, 1991, all municipal finance  
12 officer certificates, except those issued pursuant to section 4 of  
13 P.L.1971, c.413 (C.40A:9-140.4) or pursuant to section 6 of  
14 P.L.1988, c.110 (C.40A:9-140.11), shall be renewed upon  
15 application, payment of the required fee of \$50, and verification  
16 that the applicant has met continuing education requirements, all as  
17 set forth in this section. Each renewal shall be for a period of two  
18 years. The renewal date shall be 30 days prior to the expiration date.

19 b. Each municipal finance officer certificate subject to renewal  
20 pursuant to this section issued prior to January 1, 1992 shall expire  
21 on January 1, 1994. Each municipal finance officer certificate  
22 issued on or after January 1, 1992 shall expire two years from the  
23 date on which the certificate was originally issued.

24 c. Each applicant for renewal of a municipal finance officer  
25 certificate shall, on a form prescribed by the director, furnish proof  
26 of having earned at least 3.0 continuing education units. For the  
27 purposes of this section, 1.0 continuing education unit equals 10  
28 contact hours. Upon verification of this requirement, and upon  
29 payment of a fee of \$50 to the order of the Treasurer of the State of  
30 New Jersey, the director shall renew the municipal finance officer  
31 certificate.

32 d. Where the holder of a municipal finance officer certificate  
33 has allowed the certificate to lapse by failing to renew the  
34 certificate, a new application and certificate shall be required. If  
35 application is made within six months of the expiration of the  
36 certificate, then application may be made in the same manner as a  
37 renewal; provided, however, that such application may be made in  
38 the same manner as a renewal within 12 months of the expiration of  
39 the certificate if the director determines that either of the following  
40 circumstances prevents a certificate holder from earning the  
41 required continuing education units within six months of the  
42 expiration of the certificate:

43 (1) a flood, hurricane, superstorm, tornado, or other natural  
44 disaster, and a state of emergency has been declared as a result  
45 thereof by the Governor; or

46 (2) a medical event or condition.<sup>2</sup>

47 (cf: P.L.1991, c.175, s.13)

1       <sup>3</sup>[<sup>2</sup>45.] 43.<sup>3</sup> Section 7 of P.L.1993, c.25 (C.40A:9-145.3b) is  
2 amended to read as follows:

3       7. Commencing on the effective date of P.L.1993, c.25  
4 (C.40A:9-145.3a et al.) all outstanding tax collector certificates  
5 shall expire and be renewed in accordance with the following  
6 procedure:

7       a. All tax collector certificates shall be renewed upon  
8 application, payment of the required fee, and verification that the  
9 applicant has met continuing education requirements, as set forth in  
10 subsection c. of this section. Each renewal shall be for a period of  
11 two years. The renewal date shall be 30 days prior to the expiration  
12 date.

13       b. All tax collector certificates subject to renewal pursuant to  
14 this section issued prior to January 1, 1993 shall have an expiration  
15 date of December 31, 1994. All tax collector certificates issued on  
16 or after January 1, 1993 shall have an expiration date of either June  
17 30 or December 31, whichever is sooner, of the second year  
18 following the year in which the certificates were originally issued,  
19 provided that no certificate shall expire sooner than two years from  
20 the date of original issue.

21       c. Prior to the renewal date of a tax collector certificate, every  
22 tax collector shall, on a form prescribed by the director, furnish  
23 proof of having earned at least 1.5 continuing education units. For  
24 the purpose of this section, 1.5 continuing education units equals 15  
25 contact hours with a minimum number of hours, as determined by  
26 the director.

27       Under verification of this requirement, and upon payment of a  
28 fee of \$50 to the order of the Treasurer of the State of New Jersey,  
29 the director shall renew the tax collector certificate.

30       d. When the holder of a tax collector certificate has allowed the  
31 certificate to lapse by failing to renew the certificate, a new  
32 application and certificate shall be required. If application is made  
33 within six months of the expiration of the certificate, then  
34 application may be made in the same manner as a renewal, but the  
35 application shall be accompanied by the fee required for a new  
36 application; provided, however, that such application may be made  
37 in the same manner as a renewal within 12 months of the expiration  
38 of the certificate if the director determines that either of the  
39 following circumstances prevents a certificate holder from earning  
40 the required continuing education units within six months of the  
41 expiration of the certificate:

42       (1) a flood, hurricane, superstorm, tornado, or other natural  
43 disaster, and a state of emergency has been declared as a result  
44 thereof by the Governor; or

45       (2) a medical event or condition.<sup>2</sup>

46 (cf: P.L.1999, c.300, s.2)

47

1       <sup>3</sup>[<sup>2</sup>46.] 44.<sup>3</sup> Section 8 of P.L.1991, c.258 (C.40A:9-154.6h) is  
2 amended to read as follows:

3       8. a. Commencing January 1, 1997, all public works manager  
4 certificates shall be renewed upon application, payment of the  
5 required fee, and verification that the applicant has met continuing  
6 education requirements, all as set forth in this section. Each  
7 renewal shall be for a period of three years. The renewal date shall  
8 be 30 days prior to the expiration date.

9       b. All public works manager certificates subject to renewal  
10 pursuant to this section that were issued prior to January 1, 1995  
11 shall have an expiration date of December 31, 1998. All public  
12 works manager certificates issued on or after January 1, 1995 shall  
13 have an expiration date of either June 30 or December 31,  
14 whichever is sooner, of the third year following the year in which  
15 the certificates were originally issued, provided that no certificate  
16 shall expire sooner than December 31, 1998.

17       c. Each applicant for renewal of a public works manager  
18 certificate shall, on a form prescribed by the director, furnish proof  
19 of having earned at least two continuing education units in fields of  
20 study related to public works activity. For the purposes of this  
21 section, one continuing education unit equals 10 contact hours.  
22 Upon verification of this requirement, and upon payment of a fee,  
23 the director shall renew the public works manager certificate.

24       d. If the holder of a public works manager certificate has  
25 allowed the certificate to lapse by failing to renew the certificate, a  
26 new application and certificate shall be required. If application is  
27 made within six months of the expiration of the lapsed certificate,  
28 then application may be made in the same manner as a renewal, but  
29 the application shall be accompanied by the fee for a new  
30 application; provided, however, that such application may be made  
31 in the same manner as a renewal within 12 months of the expiration  
32 of the certificate if the director determines that either of the  
33 following circumstances prevents a certificate holder from earning  
34 the required continuing education units within six months of the  
35 expiration of the certificate:

36       (1) a flood, hurricane, superstorm, tornado, or other natural  
37 disaster, and a state of emergency has been declared as a result  
38 thereof by the Governor; or

39       (2) a medical event or condition.<sup>2</sup>

40 (cf: P.L.1995, c.46, s.7)

41

42       <sup>3</sup>[<sup>2</sup>47.] 45.<sup>3</sup> Section 9 of P.L.1971, c.198 (C.40A:11-9) is  
43 amended to read as follows:

44       9. a. The governing body of any contracting unit may by  
45 ordinance, in the case of a municipality, by ordinance or resolution,  
46 as the case may be, in the case of a county, or by resolution in all  
47 other cases, designate an individual to serve as the contracting unit's  
48 purchasing agent. The individual designated as the purchasing

1 agent pursuant to this subsection shall be assigned the authority,  
2 responsibility, and accountability for the purchasing activity for the  
3 contracting unit, to prepare public advertising for bids and to  
4 receive bids for the provision or performance of goods or services  
5 on behalf of the contracting unit and to award contracts permitted  
6 pursuant to subsection a. of section 3 of P.L.1971, c.198 (C.40A:11-  
7 3) in the name of the contracting unit, and conduct any activities as  
8 may be necessary or appropriate to the purchasing function of the  
9 contracting unit as its contracting agent. The individual designated  
10 to serve as the purchasing agent of a contracting unit pursuant to  
11 this subsection shall possess a qualified purchasing agent certificate  
12 pursuant to this section. The individual designated as the  
13 purchasing agent pursuant to this subsection may be a part-time or  
14 full-time employee of the contracting unit, an independent  
15 contractor, or an individual employed by another contracting unit  
16 through a shared services agreement.

17 b. The Director of the Division of Local Government Services,  
18 after consultation with the Commissioner of Education, shall  
19 establish criteria to qualify individuals who have completed  
20 appropriate training and possess such purchasing experience as  
21 deemed necessary to serve as a purchasing agent, and, when  
22 determined to be necessary by the director, have passed an  
23 examination administered by the director pursuant to this section.  
24 The criteria established by the director shall include, but are not  
25 limited to, the following:

26 (1) is a citizen of the United States;

27 (2) is of good moral character;

28 (3) is a high school graduate or equivalent;

29 (4) has at least two years of higher education, and two years of  
30 full time governmental experience performing duties relative to  
31 those of public procurement provided, however, that additional  
32 years of experience may be substituted for years of higher  
33 education, on a one to one basis;

34 (5) has successfully received certificates indicating satisfactory  
35 completion of a series of training courses in public procurement as  
36 determined by the director and provided by either the Division of  
37 Local Government Services, or, with the approval of the director,  
38 by a county college or Rutgers, The State University of New Jersey,  
39 all under the supervision of instructors who meet criteria  
40 established by the director;

41 (6) has submitted completed application forms, including proof  
42 of education and experience, as set forth in this subsection,  
43 accompanied by a fee in the amount of \$150 payable to the State  
44 Treasurer, to the Director of the Division of Local Government  
45 Services at least 30 days prior to the administration of a State  
46 examination;

47 (7) has successfully passed a State examination for a qualified  
48 purchasing agent certificate. The director shall hold examinations

1 semi-annually or at such times as the director may deem  
2 appropriate. An individual shall be eligible to take the State  
3 examination for a qualified purchasing agent certificate without  
4 having taken the courses required pursuant to paragraph (5) of this  
5 subsection if the individual has been certified by the division as a  
6 certified municipal finance officer, a certified county finance  
7 officer, or a certified county purchasing officer.

8 The director shall issue a qualified purchasing agent certificate to  
9 an individual who passes the examination upon payment to the  
10 director of a fee of \$25 which shall be payable to the State  
11 Treasurer.

12 c. The criteria established by the director to authorize  
13 purchasing agents, pursuant to subsection b. of this section, shall  
14 include, but are not limited to, completion of a course in green  
15 product purchasing, as established by the director pursuant to  
16 regulation. Any person qualified pursuant to subsection b. of this  
17 section prior to the establishment of the course in green product  
18 purchasing, shall in order to continue to be qualified, take and  
19 successfully complete the course within four years from the date the  
20 course is established. For the purposes of this subsection and  
21 section 2 of P.L.2007, c.332 (C.40A:11-9.1), "green product" means  
22 any commodity or service that has a lesser or reduced negative  
23 effect on human health and the environment when compared with  
24 competing commodities or services. Items considered in this  
25 comparison may include, but are not limited to: raw materials  
26 acquisition, production, manufacturing, packaging, distribution,  
27 reuse, operation, maintenance, disposal, energy efficiency, recycled  
28 content resource use, transportation, and durability.

29 d. (1) Renewal of the qualified purchasing agent certification  
30 shall be required every three years, subject to the applicant's  
31 fulfillment of continuing education requirements, the submission of  
32 an application for renewal, and the payment of a renewal fee, all as  
33 determined by the director.

34 (2) In the event that an individual holding a qualified purchasing  
35 agent certificate allows the certificate to lapse by failing to renew  
36 the certificate, the individual shall be required to apply to take the  
37 qualifying examination required pursuant to subsection b. of this  
38 section and pay a fee as determined by the director, except that  
39 when an individual applies within six months of the expiration of  
40 the certificate, the application may be made in the same manner as  
41 renewal and except that such application may be made in the same  
42 manner as a renewal within 12 months of the expiration of the  
43 certificate if the director determines that either of the following  
44 circumstances prevents a certificate holder from earning the  
45 required continuing education units within six months of the  
46 expiration of the certificate:

1       (1) a flood, hurricane, superstorm, tornado, or other natural  
2 disaster, and a state of emergency has been declared as a result  
3 thereof by the Governor; or

4       (2) a medical event or condition.

5       e. (1) An individual who obtained a qualified purchasing agent  
6 certificate prior to enactment of P.L.2009, c.166 (C.40A:11-9a et  
7 al.) shall be exempt from taking the State qualifying examination,  
8 but shall adhere to all requirements for renewal pursuant to  
9 subsection d. of this section. If such a qualified purchasing agent  
10 certificate expires due to the failure of the holder to renew the  
11 certificate as prescribed in subsection d. of this section, that  
12 individual shall be required to pass the qualifying examination as  
13 provided pursuant to subsection b. of this section in order to be  
14 issued a new qualified purchasing agent certificate.

15       (2) An individual who has been certified by the Department of  
16 Education as a school business administrator and has performed  
17 duties relative to public procurement for at least three years shall be  
18 exempt from taking the courses required pursuant to paragraph (5)  
19 of subsection b. of this section and the state qualifying examination,  
20 and upon application to the director and the payment of the fee  
21 imposed pursuant to subsection b. of this section, shall be issued a  
22 qualified purchasing agent certificate.

23       f. Those persons who have been performing the duties of a  
24 purchasing agent for a contracting unit pursuant to P.L.1971, c.198  
25 (C.40A:11-1 et seq.), or school board pursuant to N.J.S.18A:18A-1  
26 et seq. for at least three continuous years, prior to the first day of  
27 the sixth month following the promulgation of rules and regulations  
28 to effectuate the purposes of P.L.2009, c.166 (C.40A:11-9a et al.),  
29 and did not possess a qualified purchasing agent certificate at that  
30 time, may take the State qualifying examination, if not otherwise  
31 exempt under subsection e. of this section, without the courses  
32 required in subsection b. of this section.

33       g. Following the appointment of a purchasing agent for a  
34 contracting unit pursuant to subsection a. of this section, if the  
35 person appointed no longer performs such duties, the governing  
36 body or chief executive officer, as appropriate to the form of  
37 government, may appoint, for a period not to exceed one year  
38 commencing from the date of the vacancy, a person who does not  
39 possess a qualified purchasing agent certificate to serve as a  
40 temporary purchasing agent. Any person so appointed may, with  
41 the approval of the director, be reappointed as a temporary  
42 purchasing agent for a maximum of one additional year following  
43 the end of the first temporary appointment. No contracting unit  
44 shall employ a temporary purchasing agent for more than two  
45 consecutive years.

46       h. The director may revoke or suspend a qualified purchasing  
47 agent certificate for dishonest practices or willful or intentional  
48 failure, neglect, or refusal to comply with the laws relating to

1 procurement, or for other good cause. The governing body,  
2 together with the chief executive officer of any contracting unit, or  
3 a board of education, may request the director to review the  
4 behavior or practices of a person holding a qualified purchasing  
5 agent certificate. Prior to taking any adverse action against a  
6 person, the director or the director's designee shall convene a  
7 hearing, upon due notice, affording the person an opportunity to be  
8 heard. If the qualified purchasing agent certificate held by a person  
9 serving as a purchasing agent is revoked, the director shall order  
10 that person to no longer perform the duties of purchasing agent, and  
11 the person shall not be eligible to serve as a purchasing agent or to  
12 make application for recertification for a period of five years from  
13 the date of revocation.

14 i. The director may adopt and promulgate rules and regulations  
15 to effectuate the purposes of **[this act]** P.L.1971, c.198.  
16 Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et  
17 seq.) to the contrary, any such regulations shall be effective  
18 immediately upon filing with the Office of Administrative Law and  
19 shall be effective for a period not to exceed 365 days and may  
20 thereafter be amended, adopted or readopted by the director in  
21 accordance with the requirements of P.L.1968, c.410. In order to  
22 better manage the workload of implementing the provisions of **[this**  
23 **act]** P.L.1971, c.198, the director may establish a transition process  
24 for administering an examination for individuals serving as  
25 purchasing agents on the effective date of **[this act]** P.L.1971,  
26 c.198, issuing and renewing qualified purchasing agent certificates  
27 to eligible individuals, prescribing a schedule by which such  
28 certificates will be issued and renewed, and such other matters as  
29 the director determines to be necessary to the implementation of  
30 **[this act]** P.L.1971, c.198.<sup>2</sup>

31 (cf: P.L.2009, c.166, s.3)

32

33 <sup>3</sup>**[<sup>2</sup>48.]** 46.<sup>3</sup> Section 2 of P.L.1987, c.38 (C.52:14-15f) is  
34 amended to read as follows:

35 2. a. Upon the adoption of an ordinance or resolution, as  
36 appropriate, the governing body of a county or municipality may  
37 provide for the deposit of the net pay of any employee of the county  
38 or municipality, or of a board, commission, bureau, department, or  
39 other public agency thereof, in a specific banking institution in a  
40 designated checking account, savings account, or share account.  
41 When the employee shall indicate in writing to the proper  
42 disbursing officer his or her desire to have his or her net pay  
43 deposited, the disbursing officer shall make the deposit in the  
44 respective banking institution on behalf of the employee. As used  
45 in P.L.1981, c.385 (C.52:14-15a et seq.), "employee" shall also  
46 mean any person holding public office, position, or employment  
47 whose compensation is paid by a county or municipality or any

1 board, commission, bureau, department, or other public agency  
2 thereof.

3 b. On or after July 1, 2014, the governing body of a county  
4 **【or】** , municipality , or local authority or other entity subject to the  
5 "Local Authorities Fiscal Control Law," P.L.1983, c.313  
6 (C.40A:5A-1 et seq.), may determine by the adoption of an  
7 ordinance or resolution, as appropriate, to provide for the  
8 mandatory direct deposit of net pay for all employees of the county  
9 **【or】** , municipality, or local authority or other entity subject to the  
10 "Local Authorities Fiscal Control Law," P.L.1983, c.313  
11 (C.40A:5A-1 et seq.), or of a board, commission, bureau,  
12 department , or other public agency thereof, in a specific banking  
13 institution based on information provided by the employee. If the  
14 governing body provides for such direct deposit, compliance by an  
15 employee shall be mandatory. No ordinance or resolution shall be  
16 adopted under subsection a. of this section on or after July 1, 2014.  
17 The governing body is authorized to grant an exemption from the  
18 requirements adopted pursuant to this subsection on such terms and  
19 conditions as the governing body may deem necessary. The  
20 governing body is authorized to grant an exemption for seasonal  
21 and temporary employees as the governing body may deem  
22 necessary.

23 c. The governing body may make available for such employees  
24 who have net pay directly deposited as described in subsection a. of  
25 this section, and shall make available for such employees who have  
26 net pay directly deposited as described in subsection b. of this  
27 section, any information concerning net pay, any accompanying  
28 information approved for distribution with net pay, and W-2 forms  
29 in accordance with applicable federal law, only on the Internet with  
30 restricted access and policies and procedures to protect the integrity  
31 and confidentiality of the information.<sup>2</sup>  
32 (cf: P.L.2013, c.28, s.3)

33  
34 <sup>1</sup>**【37.】** <sup>2</sup>**【36.1】** <sup>3</sup>**【49.2】** **47.3** The following sections are repealed:  
35 Section 15 of P.L.1941, c.151 (C.4:19-15.15);  
36 Section 4 of P.L.1985, c.174 (C.40A:9-133.4); and  
37 Section 7 of P.L.1997, c.279 (C.40A:9-133.9).

38  
39 <sup>1</sup>**【38.】** <sup>2</sup>**【37.1】** <sup>3</sup>**【50.2】** **48.3** This act shall take effect  
40 immediately.

41  
42  
43  
44  
45 Streamlines responsibilities of Division of Local Government  
46 Services and local governments; designated as the Division of Local

- 1 Government Services Modernization and Local Mandate Relief Act
- 2 of 2015.

**SENATE, No. 2454**

**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

INTRODUCED OCTOBER 9, 2014

**Sponsored by:**

**Senator JEFF VAN DREW**

**District 1 (Atlantic, Cape May and Cumberland)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**SYNOPSIS**

Streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2014.

**CURRENT VERSION OF TEXT**

As introduced.



S2454 VAN DREW, OROHO

2

1 AN ACT concerning local governments and designated as the  
2 Division of Local Government Services Modernization and  
3 Local Mandate Relief Act of 2014, and amending and repealing  
4 various parts of the statutory law.

5

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

8

9 1. N.J.S.18A:8-12 is amended to read as follows:

10 18A:8-12. Within 15 days after the filing of the answers to the  
11 petition, the **[**commissioner of education shall submit the petition  
12 and answers to a board of review consisting of the commissioner of  
13 education, as chairman, the commissioner of conservation and  
14 economic development and the director of the division of local  
15 government in the department of the treasury, which**]**  
16 Commissioner of Education shall hold a hearing thereon at the  
17 request of any interested party and shall consider the effect of the  
18 proposed separation upon the educational and financial condition of  
19 both the new and remaining districts on the basis of the allegations  
20 of the petition and answers and of any other factors which might  
21 have been alleged in the answers as hereinbefore provided.

22 (cf: N.J.S.18A:8-12)

23

24 2. N.J.S.18A:8-13 is amended to read as follows:

25 18A:8-13. Within 60 days after the receipt of the petition and  
26 answers, the **[**board of review**]** Commissioner of Education shall **[**,  
27 by a recorded roll call majority vote of the full membership of such  
28 board,**]** grant the application and determine the amount of  
29 indebtedness, if any, to be assumed by the remaining and new  
30 districts, respectively, or deny the same.

31 (cf: N.J.S.18A:8-13)

32

33 3. N.J.S.18A:8-22 is amended to read as follows:

34 18A:8-22. Upon the creation of the new district, title to all  
35 school grounds and buildings and the furnishings and equipment  
36 thereof situate therein shall vest in the board of education of that  
37 district, and such board shall thereupon assume such amount of the  
38 indebtedness of the original school district as shall have been  
39 determined upon by the **[**board of review**]** Commissioner of  
40 Education and shall pay to the board of the remaining district, at  
41 least five days before the same shall become due, the amount of the  
42 principal and interest of the indebtedness so assumed, and said  
43 principal and interest shall be paid by the board of the remaining  
44 district as and when the same becomes due and payable.

45 (cf: N.J.S.18A:8-22)

**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       4. Section 6 of P.L.1975, c.360 (C.18A:13-56) is amended to  
2 read as follows:

3       6. **【**Within 15 days after the filing of the answers to the petition,  
4 **the】** The Commissioner of Education shall **【submit】** review the  
5 petition and answers **【**to a board of review consisting of the  
6 commissioner as chairman, a member of the State Board of  
7 Education to be appointed by the president thereof, the State  
8 Treasurer or his designee and the Director of the Division of Local  
9 Government Services in the Department of Community Affairs,**】**  
10 for a determination as to whether or not the petition should be  
11 granted, and if so, the amount of indebtedness, if any, to be  
12 assumed by the remaining and the new district, or by each of the  
13 constituent districts in the event of a dissolution, upon approval of  
14 the legal voters pursuant to section 9 of P.L.1975, c.360 (C.18A:13-  
15 59) at a special school election. The **【board of review】**  
16 commissioner shall consider the effect of the proposed withdrawal  
17 or dissolution upon the educational and financial condition of the  
18 withdrawing and the remaining districts, or upon each of the  
19 constituent districts in the event of a dissolution, and shall schedule  
20 and hold a public hearing on the petition upon the application of  
21 any interested party. In considering the effect of the proposed  
22 withdrawal or dissolution upon the educational and financial  
23 condition of the withdrawing and remaining districts, or upon each  
24 of the constituent districts in the event of a dissolution, the **【board**  
25 **of review】** commissioner shall:

26       a. Consent to the granting of the application; or

27       b. Oppose the same because, if the same be granted

28       1. An excessive debt burden will be imposed upon the remaining  
29 districts, or the withdrawing district, or upon any of the constituent  
30 districts in the event of a dissolution;

31       2. An efficient school system cannot be maintained in the  
32 remaining districts or the withdrawing district, or in any of the  
33 constituent districts in the event of a dissolution, without excessive  
34 costs;

35       3. Insufficient pupils will be left in the remaining districts, or  
36 in any of the constituent districts in the event of a dissolution, to  
37 maintain a properly graded school system; or

38       4. Any other reason, which it may deem to be sufficient; or

39       c. Request that if the petition be granted, the amount of debt  
40 which the remaining districts, or any of the constituent districts in  
41 the event of a dissolution, would be required to assume, calculated  
42 as hereinbefore provided, be reduced for the reason that--

43       1. Such amount of indebtedness, together with all other  
44 indebtedness of the municipalities or school districts would be  
45 excessive;

1       2. The amount of expenditure for debt service which would be  
2 required would be so great that sufficient funds would not be  
3 available for current expenses without excessive taxation; or

4       3. Such amount of indebtedness is inequitable in relation to the  
5 value of the property to be acquired by the remaining districts, or by  
6 any of the constituent districts in the event of a dissolution, and  
7 would materially impair the credit of the municipalities or such  
8 districts and the ability to pay punctually the principal and interest  
9 of their debt and to supply such essential educational facilities and  
10 public improvements and services as might reasonably be  
11 anticipated would be required of them.

12       The **【board of review】** commissioner shall make **【its】** findings  
13 and render a determination **【**, by the recorded vote of at least three  
14 of the four members of the board,**】** within 60 days of the receipt of  
15 the petition and answers.

16 (cf: P.L.1993, c.255, s.5)

17

18       5. Section 11 of P.L.1975, c.360 (C.18A:13-61) is amended to  
19 read as follows:

20       11. The withdrawing district and the remaining districts, or each  
21 constituent district in the event of a dissolution, shall take title to  
22 and control of all school grounds and buildings, and the furnishings  
23 and equipment therein, other than those which had been rotated or  
24 shared among the regional schools, situated in their respective  
25 districts on the effective date of withdrawal or dissolution as  
26 established by the commissioner. The county superintendent shall  
27 allot a fair proportion of the shared or rotated furnishings and  
28 equipment to the withdrawing district or to each of the constituent  
29 districts in the event of a dissolution.

30       Upon the assumption of title, each board shall also assume such  
31 amount of the indebtedness of the original regional school district  
32 as shall have been determined by the **【board of review】**  
33 commissioner. In the event of a withdrawal, the withdrawing  
34 district shall pay to the regional board of education, at least five  
35 days before it becomes due, the amount of the principal and interest  
36 of the assumed indebtedness; such principal and interest shall be  
37 paid by the regional board, together with such amount due on its  
38 assumed indebtedness, at and when it becomes due and payable. In  
39 the event of a dissolution, the county superintendent and **【board of**  
40 **review】** commissioner, in determining the amount of indebtedness  
41 to be assumed by each constituent district, shall give due regard to  
42 the value of school buildings and grounds being conveyed to the  
43 constituent district in which those buildings and grounds are  
44 located.

45 (cf: P.L.1993, c.255, s.10)

1       6. Section 6 of P.L.1989, c.90 (C.18A:13-71) is amended to  
2 read as follows:

3       6. **【**Within 15 days after the filing of the answers to the  
4 petition, **the】** The Commissioner of Education shall **【submit】**  
5 review the petition and answers **【**to a board of review consisting of  
6 the commissioner, as chairman, the State Treasurer or his designee  
7 and the Director of the Division of Local Government Services in  
8 the Department of Community Affairs,**】** for a determination as to  
9 whether or not the petition should be granted, and if so, the amount  
10 of indebtedness, if any, to be assumed by the withdrawing  
11 municipality and the all purpose regional district upon approval of  
12 the legal voters of the withdrawing municipality and the remaining  
13 constituent municipalities at a special school election. The **【**board  
14 of review**】** commissioner shall consider the effect of the proposed  
15 withdrawal upon the educational and financial condition of the  
16 withdrawing municipality and the all purpose regional district and  
17 shall schedule and hold a public hearing on the petition upon the  
18 application of any interested party. In considering the effect of the  
19 proposed withdrawal upon the educational and financial condition  
20 of the withdrawing and remaining municipalities , the **【**board of  
21 review**】** commissioner shall:

22       a. Consent to the granting of the application;

23       b. Oppose the granting of the application because, if it is  
24 granted:

25       (1) An excessive debt burden will be imposed upon the  
26 withdrawing municipality and regional district;

27       (2) An efficient school system cannot be maintained in the all  
28 purpose regional district or the withdrawing municipality without  
29 excessive costs;

30       (3) Insufficient pupils will be left in the all purpose regional  
31 district to maintain a properly graded school system; or

32       (4) Any other reason, which it may deem to be sufficient; or

33       c. Request that if the petition is granted, the amount of debt  
34 which the regional district would be required to assume, calculated  
35 as hereinbefore provided, be reduced for the reason that:

36       (1) The amount of indebtedness, together with all other  
37 indebtedness of the constituent municipalities of the all purpose  
38 regional district would be excessive;

39       (2) The amount of expenditure for debt service which would be  
40 required would be so great that sufficient funds would not be  
41 available for current expenses without excessive taxation; or

42       (3) The amount of indebtedness is inequitable in relation to the  
43 value of the property to be acquired by the all purpose regional  
44 district and would materially impair the credit of the constituent  
45 municipalities of the district, and the ability to pay punctually the  
46 principal and interest of their debt and so supply the essential

1 educational facilities and public improvements and services that  
2 might reasonably be anticipated would be required of them.

3 The **【board of review】** commissioner shall make **【its】** findings  
4 and render a determination **【**, by the recorded vote of at least two of  
5 the three members of the board,**】** within 60 days of the receipt of  
6 the petition and answers.

7 (cf: P.L.1989, c.90, s.6)

8

9 7. Section 12 of P.L.1989, c.90 (C.18A:13-77) is amended to  
10 read as follows:

11 12. The new district and the all purpose regional district shall  
12 take title to and control of all school grounds and buildings, and the  
13 furnishings and equipment therein, other than those which had been  
14 rotated or shared among the regional schools, situated in their  
15 respective districts on the effective date of withdrawal as  
16 established by the commissioner. The county superintendent shall  
17 allot a fair proportion of the shared or rotated furnishings and  
18 equipment to the new district.

19 Upon the assumption of title, each board shall also assume the  
20 amount of the indebtedness of the original all purpose regional  
21 district as determined by the **【board of review】** commissioner. The  
22 new district shall pay to the regional board of education, at least  
23 five days before it becomes due, the amount of the principal and  
24 interest of the assumed indebtedness. The principal and interest  
25 shall be paid by the regional board, together with the amount due on  
26 its assumed indebtedness, as and when it becomes due and payable.

27 (cf: P.L.1989, c.90, s.12)

28

29 8. Section 1 of P.L.1964, c.81 (C.39:10A-1) is amended to read  
30 as follows:

31 1. a. When the State or any county, county park commission,  
32 municipality or any authority created by any thereof, hereinafter  
33 referred to as a "public agency," shall have taken possession of a  
34 motor vehicle found abandoned, such taking of possession shall be  
35 reported immediately to

36 (1) The Chief Administrator of the Motor Vehicle Commission  
37 on a form prescribed by the administrator, for verification of  
38 ownership and

39 (2) The National Insurance Crime Bureau.

40 (3) Upon receipt of verification of ownership of the vehicle  
41 from the administrator, the public agency shall within three  
42 business days provide notice of possession of the vehicle to the  
43 owner of record and the holder of any security interest filed with the  
44 administrator by telephone, mail, facsimile or electronically. The  
45 public agency may assess the person claiming the vehicle, be it the  
46 owner of record or the holder of any security interest, for the actual  
47 costs of providing the notice required under this paragraph.

1 (4) The public agency shall also within three business days  
2 notify the person storing the abandoned motor vehicle. The notice  
3 shall be given in the same manner as in the case of notification of  
4 the owner of record and the security interest holder and shall  
5 include the name and address of the owner of record and the holder  
6 of any security interest in the stored motor vehicle.

7 (5) Upon receipt of the notice required by paragraph (4) of this  
8 subsection, the person storing the abandoned motor vehicle shall  
9 provide notice to the owner of record and to any security interest  
10 holder.

11 (a) The notice shall be by first class mail, with a certificate of  
12 mailing, and shall include a schedule of the costs imposed for  
13 storing the motor vehicle and instructions explaining how the owner  
14 of record or the security interest holder may claim the stored motor  
15 vehicle.

16 (b) Except as provided in subparagraph (c) of this paragraph, if  
17 the person storing the motor vehicle fails to provide this notice to  
18 the owner of record and to the security interest holder within 30  
19 days of the date on which the storer of the vehicle received the  
20 notice required under paragraph (4) from the public agency, the  
21 maximum amount that person may charge the owner of record or  
22 the security interest holder for storing that motor vehicle shall be  
23 \$750, provided that the owner of record or security interest holder  
24 submits a proper claim for the vehicle not later than the 30th day  
25 following the date the notice is delivered from the public agency to  
26 the person storing the motor vehicle.

27 (c) When a vehicle is abandoned due to the death or  
28 incapacitation of the driver or any passenger, the person storing the  
29 vehicle shall charge the owner of record or the security interest  
30 holder no more than \$100 for the first 72 hours after the vehicle is  
31 placed on the premises.

32 (d) If the owner of record or security interest holder fails to  
33 submit a proper claim for the vehicle on or before that 30th day, the  
34 person storing the motor vehicle may charge the security interest  
35 holder reasonable costs for the removal and storage of the motor  
36 vehicle. If the notice is properly provided by the person storing the  
37 motor vehicle, that person may charge the owner of record or the  
38 security interest holder reasonable costs for the removal and storage  
39 of the motor vehicle from the date the person removed and stored  
40 the motor vehicle.

41 (e) The public agency may assess the person storing the  
42 abandoned motor vehicle, and the person storing the abandoned  
43 motor vehicle may assess the security interest holder, for the actual  
44 costs of providing the notices required under paragraphs (4) and (5)  
45 of this subsection.

46 b. When such motor vehicle which has been ascertained not to  
47 be stolen and to be one which can be certified for a junk title  
48 certificate under section 3 of P.L.1964, c.81 (C.39:10A-3) shall

1 have remained unclaimed by the owner or other person having a  
2 legal right thereto for a period of 15 business days, even if at that  
3 time the owner has not been identified as a result of efforts to make  
4 identification by the public agency or the Motor Vehicle  
5 Commission, the same may be sold at auction in a public place. If  
6 the certified motor vehicle is sold at auction prior to identification  
7 of the owner, the public agency shall document the condition of the  
8 motor vehicle in writing and with photographs prior to the sale;  
9 document the amount obtained from the sale of the motor vehicle;  
10 and notify the owner, if his name and address are identified after the  
11 sale, of the actions taken by the public agency to dispose of the  
12 motor vehicle.

13 c. When a motor vehicle which cannot be certified for a junk  
14 title certificate under section 3 of P.L.1964, c.81 (C.39:10A-3)  
15 remains unclaimed by the owner or other person having a legal right  
16 thereto for a period of 20 business days, the motor vehicle may be  
17 sold at auction in a public place, but shall be sold no later than 90  
18 business days after the public agency takes possession of the  
19 vehicle **】, except that a waiver of the 90-day limit may be obtained**  
20 **for good cause from the Division of Local Government Services in**  
21 **the Department of Community Affairs】.**

22 d. The public agency shall give notice of a sale conducted  
23 pursuant to subsection b. or c. of this section, by certified mail, to  
24 the owner, if his name and address be known and to the holder of  
25 any security interest filed with the administrator, and by publication  
26 in a form to be prescribed by the administrator by one insertion, at  
27 least five days before the date of the sale, in one or more  
28 newspapers published in this State and circulating in the  
29 municipality in which such motor vehicle is held.

30 (cf: P.L.2008, c.107, s.2)

31

32 9. Section 2 of P.L.1998, c.115 (C.40:56-71.2) is amended to  
33 read as follows:

34 2. With the exception of a municipality in which an urban  
35 enterprise zone has been designated, any municipality which has  
36 adopted or adopts an ordinance authorizing the establishment of a  
37 special improvement district pursuant to section 7 of P.L.1972,  
38 c.134 (C.40:56-71) may, by ordinance, designate all or any portion  
39 of that district which contains primarily businesses providing retail  
40 goods and services as a "downtown business improvement zone."

41 **【Within 10 business days of the adoption of an ordinance**  
42 **pursuant to this section, the municipal clerk shall forward a copy of**  
43 **the ordinance to the Director of the Division of Local Government**  
44 **Services in the Department of Community Affairs.】**

45 (cf: P.L.1998, c.115, s.2)

46

47 10. Section 22 of P.L.1984, c.151 (C.40:56-88) is amended to  
48 read as follows:

1       22. The district management corporation shall cause an annual  
2 audit of its books, accounts and financial transactions to be made  
3 and filed with the governing body of the municipality, and for that  
4 purpose the corporation shall employ a certified public accountant  
5 of New Jersey. The annual audit shall be completed and filed with  
6 the governing body within four months after the close of the fiscal  
7 year of the corporation **】, and a certified duplicate copy of the audit**  
8 **shall be filed with the Director of the Division of Local Government**  
9 **Services in the Department of Community Affairs within five days**  
10 **of the filing of the audit with the governing body of the**  
11 **municipality**】.****

12 (cf: P.L.1984, c.151, s.22)

13

14       11. Section 3 of P.L.1981, c.547 (C.40:68A-43.1) is amended to  
15 read as follows:

16       3. In accordance with rules and regulations which the Local  
17 Finance Board is hereby authorized to adopt, municipal port  
18 authorities created pursuant to P.L.1960, c.192 (C.40:68A-29 et  
19 seq.) are subject to the following provisions:

20       (a) Every authority shall be required to submit an annual budget  
21 to the **【Local Finance Board】** Director of the Division of Local  
22 Government Services in the Department of Community Affairs for  
23 approval.

24       (b) The issuance of any obligations of an authority, agreements  
25 regarding municipal guaranties of authority bonds, financing  
26 agreements entered into by an authority, and all leases, sales or  
27 dispositions of real property made by an authority shall be subject  
28 to the approval of the Local Finance Board.

29 (cf: P.L.1981, c.547, s.3)

30

31       12. N.J.S.40A:2-22 is amended to read as follows:

32       40A:2-22. The governing body of the local unit shall determine  
33 the period of usefulness of any purpose according to its reasonable  
34 life computed from the date of the bonds, which period shall not be  
35 greater than the following:

36       a. Buildings and structures.

37       1. Bridges, including retaining walls and approaches, or  
38 permanent structures of brick, stone, concrete or metal, or similar  
39 durable construction, 30 years.

40       2. Buildings, including the original furnishings and equipment  
41 therefor:

42       Class A: A building, of which all walls, floors, partitions, stairs  
43 and roof are wholly of incombustible material, except the window  
44 frames, doors, top flooring and wooden handrails on the stairs, 40  
45 years;

46       Class B: A building, the outer walls of which are wholly of  
47 incombustible material, except the window frames and doors, 30  
48 years;

- 1 Class C: A building which does not meet the requirements of  
2 Class A or Class B, 20 years.
- 3 3. Buildings or structures acquired substantially reconstructed  
4 or additions thereto, one-half the period fixed in this subsection for  
5 such buildings or structures.
- 6 4. Additional furnishings, five years.
- 7 b. Marine improvements.
- 8 1. Harbor improvements, docks or marine terminals, 40 years.
- 9 2. Dikes, bulkheads, jetties or similar devices of stone,  
10 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 11 c. Additional equipment and machinery.
- 12 1. Additional or replacement equipment and machinery, 15  
13 years.
- 14 2. Voting machines, 15 years.
- 15 3. Information technology and telecommunications equipment,  
16 7 years, except that for items with a unit cost of less than \$5,000, 5  
17 years.
- 18 d. Real property.
- 19 1. Acquisition for any public purpose of lands or riparian  
20 rights, or both, and the original dredging, grading, draining or  
21 planting thereof, 40 years.
- 22 2. Improvement of airport, cemetery, golf course, park,  
23 playground, 15 years.
- 24 3. Stadia of concrete or other incombustible materials, 20  
25 years.
- 26 e. Streets or thoroughfares.
- 27 1. Elimination of grade crossings, 35 years.
- 28 2. Streets or roads:
- 29 Class A: Rigid pavement. A pavement of not less than eight  
30 inches of cement concrete or a six-inch cement concrete base with  
31 not less than three-inch bituminous concrete surface course, or  
32 equivalent wearing surface, 20 years.
- 33 Flexible pavement. A pavement not less than 10 inches in depth  
34 consisting of five-inch macadam base, three-inch modified  
35 penetration macadam and three-inch bituminous concrete surface  
36 course or other pavements of equivalent strength, in accordance  
37 with the findings of the American Association of State Highway  
38 Officials (AASHO) Road Test, 20 years.
- 39 Class B: Mixed surface-treated road. An eight-inch surface of  
40 gravel, stone or other selected material under partial control mixed  
41 with cement or lime and fly ash, six inches in compacted thickness  
42 with bituminous surface treatment and cover, 10 years.
- 43 Bituminous penetration road. A five-inch gravel or stone base  
44 course and a three-inch course bound with a bituminous or  
45 equivalent binder, 10 years.
- 46 Class C: Mixed bituminous road. An eight-inch surface of  
47 gravel, stone, or other selected material under partial control mixed

1 with bituminous material one inch or more in compacted thickness,  
2 five years.

3 Penetration macadam road. A road of sand, gravel or water-  
4 bound macadam, or surfacing with penetration macadam, five years.

5 3. Sidewalks, curbs and gutters of stone, concrete or brick, 10  
6 years.

7 The period of usefulness in this subsection shall apply to  
8 construction and reconstruction of streets and thoroughfares.

9 f. Utilities and municipal systems.

10 1. Sewerage system, whether sanitary or storm water, water  
11 supply or distribution system, 40 years.

12 2. Electric light, power or gas systems, garbage, refuse or ashes  
13 incinerator or disposal plant, 25 years.

14 3. Communication and signal systems, 10 years.

15 4. House connections to publicly-owned gas, water or sewerage  
16 systems from the service main in the street to the curb or property  
17 lines where not part of original installation, five years.

18 g. Vehicles and apparatus.

19 1. Fire engines, apparatus and equipment, when purchased  
20 new, but not fire equipment purchased separately, 10 years.

21 2. Automotive vehicles, including original apparatus and  
22 equipment **[(other than passenger cars and station wagons)]**, when  
23 purchased new, five years.

24 3. Major repairs, reconditioning or overhaul of fire engines and  
25 apparatus, ambulances, rescue vehicles, and similar public safety  
26 vehicles **[(other than passenger cars and station wagons)]** which  
27 may reasonably be expected to extend for at least five years the  
28 period of usefulness thereof, five years.

29 h. The closure of a sanitary landfill facility utilized, owned or  
30 operated by a county or municipality, 15 years; provided that the  
31 closure has been approved by the Board of Public Utilities and the  
32 Department of Environmental Protection. For the purposes of this  
33 subsection "closure" means all activities associated with the design,  
34 purchase or construction of all measures required by the  
35 Department of Environmental Protection, pursuant to law, in order  
36 to prevent, minimize or monitor pollution or health hazards  
37 resulting from sanitary landfill facilities subsequent to the  
38 termination of operations at any portion thereof, including, but not  
39 necessarily limited to, the costs of the placement of earthen or  
40 vegetative cover, and the installation of methane gas vents or  
41 monitors and leachate monitoring wells or collection systems at the  
42 site of any sanitary landfill facility.

43 i. (Deleted by amendment, P.L.2007, c.62.)

44 j. The prefunding of a claims account for environmental  
45 liability claims by an environmental impairment liability insurance  
46 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.  
47 (cf: P.L.2007, c.62, s.17)

1 13. N.J.S.40A:2-26 is amended to read as follows:

2 40A:2-26. Maturities of all bonds shall be as determined by  
3 bond ordinance or by subsequent resolution and within the  
4 following limitations:

5 a. All bonds shall mature within the period or average period  
6 of usefulness determined in the bond ordinance.

7 b. All bonds shall mature in annual installments, the first of  
8 which shall be payable not more than one year from the date of the  
9 bonds. No annual installment shall exceed by more than 100% the  
10 amount of the smallest prior installment.

11 c. The first installment of bonds to finance a municipal public  
12 utility may be made payable not later than the end of the second  
13 year's operation, computed from the estimated date of completion,  
14 as fixed in the project report submitted pursuant to this chapter.

15 d. Bonds to finance that part of the cost of a local improvement  
16 which is to be assessed on property shall mature in annual  
17 installments not exceeding in number the number of annual  
18 installments or average thereof fixed in the bond ordinance for the  
19 payment of special assessments. The first annual installment of  
20 such bonds shall be payable not more than two years from the date  
21 of the bonds, and no annual installment shall exceed the amount of  
22 the smallest prior installment.

23 e. A governing body which has concluded that the limitations  
24 as to maturities or amounts of annual installments will adversely  
25 affect the financial position of the local unit, may make written  
26 application to the **【local government board】** Local Finance Board  
27 setting forth its conclusion and the reasons therefor and the desired  
28 maturities or the amounts of annual installments for bonds about to  
29 be issued. If the **【local government board】** Local Finance Board  
30 finds such conclusion to be well founded, it may, by order, fix the  
31 maturities or amounts of annual installments of such bonds as  
32 desired by the local unit, or fix any such other maturities or  
33 amounts of annual installments which the circumstances warrant.  
34 Application to the Local Finance Board shall not be required if the  
35 maturities or the amounts of annual installments have been  
36 determined by the "New Jersey Environmental Infrastructure  
37 Trust," created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-  
38 4), for debts issued by the trust.

39 f. The governing body, by resolution, may provide for a single  
40 and combined issue of bonds not exceeding the aggregate amount of  
41 bonds authorized by two or more bond ordinances. The bonds of  
42 such issue shall mature within the average period of usefulness  
43 which shall be determined in said resolution, taking into  
44 consideration the respective amount of bonds authorized by each of  
45 the bond ordinances and the period or average period of usefulness  
46 therein determined. The provisions of this chapter applicable to the  
47 sale and issuance of a single issue of bonds shall apply to the sale  
48 and issuance of such combined issue of bonds.

1 g. The governing body, by resolution, may allow the  
2 adjustment of, or otherwise delegate to a finance officer the  
3 authority to adjust, the maturity schedule of the bonds, up to 24  
4 hours prior to the time advertised for the receipt of bids and within  
5 24 hours after the award of bids; provided that no maturity schedule  
6 adjustment shall exceed 10% of the principal for any maturity with  
7 the aggregate adjustment to maturity not to exceed 10% of the  
8 principal for the overall issue. When an adjustment has been made  
9 to a maturity schedule previously approved by the **【local finance**  
10 **board】** Local Finance Board, a copy of the final maturity schedule  
11 which meets or complies with the limitations in this subsection shall  
12 be filed with the board within 30 days of the sale and shall be  
13 conclusively deemed to have been approved by the board.  
14 (cf: P.L.2003, c.15, s.3)

15  
16 14. Section 4 of P.L.1976, c.38 (C.40A:3-4) is amended to read  
17 as follows:

18 4. a. Bonds issued by any municipality pursuant to provisions  
19 of this act shall be "qualified bonds" and shall be entitled to the  
20 benefit of the provisions of this act.

21 b. Whenever the governing body of a municipality determines,  
22 by passage of a bond ordinance upon first reading, to issue bonds  
23 for any lawful purpose, it may file an application and a certified  
24 copy of the ordinance as passed on first reading with the **【local**  
25 **finance board】** Local Finance Board to qualify the bonds pursuant  
26 to the provisions of this act. Upon receipt of any such application,  
27 the **【local finance board】** Local Finance Board shall cause an  
28 investigation to be made, taking into consideration such factors as  
29 the need for the facilities to be financed from the proceeds of such  
30 proposed qualified bonds, the ability of the municipality to supply  
31 other essential public improvements and services and during the  
32 ensuing 10 years to pay punctually the principal and interest on its  
33 debts, the reasonableness of the amounts to be expended for each of  
34 the purposes or improvements to be financed pursuant to such  
35 bonds, and such other factors as the **【local finance board】** Local  
36 Finance Board may deem necessary.

37 c. If such investigation shows to the satisfaction of the **【local**  
38 **finance board】** Local Finance Board that such municipality should  
39 be entitled to issue qualified bonds pursuant to the provisions of this  
40 act, the **【local finance board】** Local Finance Board may by  
41 resolution determine that such municipality is entitled to issue  
42 qualified bonds. In considering any ordinance submitted to it and  
43 before endorsing its consent thereon, the **【local finance board】**  
44 Local Finance Board may require the governing body of any  
45 municipality to adopt resolutions restricting or limiting any future  
46 proceedings with respect to the authorization of bonds or other  
47 matters deemed by the **【local finance board】** Local Finance Board

1 to affect any estimate made or to be made by it in accordance with  
2 subsection b. 【hereof】 of this section. Every resolution so adopted  
3 shall constitute a valid and binding obligation of such municipality  
4 running to and enforceable by, and releasable by the 【local finance  
5 board】 Local Finance Board.

6 d. Within 60 days after the submission to it of an application  
7 made in accordance with subsection b. of this section, the 【local  
8 finance board】 Local Finance Board shall cause its consent to be  
9 endorsed upon the ordinance authorizing the issuance of qualified  
10 bonds, if it shall be satisfied and record by resolution that the  
11 municipality is entitled to issue qualified bonds. If the 【local  
12 finance board】 Local Finance Board is not so satisfied, it shall  
13 cause its disapproval to be endorsed upon such ordinance within  
14 said period of 60 days.

15 e. If the governing body of a municipality shall determine by  
16 resolution that a maturity schedule for its qualified bonds, other  
17 than the maturity schedule approved by the 【local finance board】  
18 Local Finance Board pursuant to subsection c. of this section 【3】, is  
19 in the best interest of said municipality, it may make application to  
20 the 【local finance board】 Local Finance Board setting forth such  
21 belief and the grounds therefor and requesting approval of a  
22 schedule of maturities for such qualified bonds set forth in the  
23 application. Within 60 days after submission to the 【local finance  
24 board】 Local Finance Board of such application, the 【local finance  
25 board】 Local Finance Board shall cause its approval to be endorsed  
26 thereon if it shall be satisfied, and shall record by resolution its  
27 findings, that the belief set forth in such application is well founded  
28 and that the issuance of the bonds pursuant to the revised maturity  
29 schedule in such application would not materially impair the credit  
30 of the municipality or substantially reduce its ability, during the  
31 ensuing 10 years, to pay punctually the principal of and interest on  
32 its debts and supply essential public improvements and services. If  
33 the 【local finance board】 Local Finance Board is not so satisfied, it  
34 shall cause its disapproval to be endorsed on such copy within said  
35 period of 60 days.

36 f. A municipality that has issued qualified bonds shall not be  
37 required to obtain the approval of the Local Finance Board prior to  
38 issuing any other bonds solely by reason of having previously  
39 issued qualified bonds, unless such approval is otherwise required  
40 by law.

41 (cf: P.L.1991, c.180, s.3)

42

43 15. N.J.S.40A:4-8 is amended to read as follows:

44 40A:4-8. The public hearing shall be held at the time and place  
45 specified in the advertisement thereof, but may be adjourned from  
46 time to time until the hearing is closed.

1 The budget shall be read, at the public hearing in full, or it may  
2 be read by its title, if

3 1. At least one week prior to the date of the hearing, a complete  
4 copy of the approved budget,

5 **【a. shall be made available for public inspection, in the case of a**  
6 **county budget, in each free public library, if any, in each**  
7 **municipality of the county and in the free county libraries or**  
8 **regional libraries of the county or, in the case of a municipal**  
9 **budget, in the free public library, if any, of the municipality and in**  
10 **the free county libraries or regional libraries located in the**  
11 **municipality or, if no county libraries or regional libraries are**  
12 **located in the municipality, the county or regional library of the**  
13 **county in which the municipality is located, and the public officer**  
14 **delegated the responsibility for delivering copies of the approved**  
15 **budget to such libraries shall forward to the governing body an**  
16 **attestation that each such delivery was made, and**

17 **b. is made available to each person requesting the same, during**  
18 **said week and during the public hearing】 shall be made available**  
19 **for public inspection for the duration of that week and at the public**  
20 **hearing, and**

21 2. The governing body shall, by resolution passed by not less  
22 than a majority of the full membership, determine that the budget  
23 shall be read by its title and declare that the conditions set forth in  
24 **【subsections 1.a. and 1.b.】 subsection 1. of this section have been**  
25 **met.**

26 After closing the hearing, the governing body may adopt the  
27 budget, by title without amendments, or may approve amendments  
28 as provided in N.J.S.40A:4-9 before adoption.

29 (cf: P.L.1995, c.259, s.9)

30

31 16. N.J.S.40A:4-10 is amended to read as follows:

32 40A:4-10. No budget or amendment thereof shall be adopted  
33 unless the director shall have previously certified his approval  
34 thereof. Final adoption shall be by resolution adopted by a majority  
35 of the full membership of the governing body, and may be by title  
36 where the procedures required by N.J.S.40A:4-8 and N.J.S.40A:4-9  
37 or section 12 of P.L.1995, c.259 (C.40A:4-6.1), as applicable, have  
38 been followed.

39 The budget shall be adopted in the case of a county not later than  
40 February 25, and in the case of a municipality not later than March  
41 20 of the calendar fiscal year or September 20 of the State fiscal  
42 year, except that the governing body may adopt the budget at any  
43 time within 10 days after the director shall have certified his  
44 approval thereof and returned the same, if such certification shall be  
45 later than the date of the advertised hearing.

46 If, in the case of a municipality which operates on the State fiscal  
47 year, the governing body fails to adopt the budget within the  
48 permitted time, the chief financial officer of the local unit shall so

1 notify the director the next working day after the expiration of the  
2 permitted time.

3 Copies of the budget, as adopted, in such form and in such  
4 quantity as determined by the Local Finance Board, shall be  
5 transmitted to the director **],** and made available in print for public  
6 inspection at the local library,**]** within three days after adoption.

7 Upon adoption, the budget shall constitute an appropriation for  
8 the purposes stated therein and an authorization of the amount to be  
9 raised by taxation for the purposes of the local unit.

10 The adopted budget shall be provided for public inspection on  
11 the local unit's website, if one exists, or, if one does not exist, the  
12 budget shall be provided for public inspection on the website of the  
13 Department of Community Affairs, and made available online and  
14 in print as required by this section in a "user-friendly" summary  
15 format using plain language. In addition to the current year adopted  
16 budget, the local unit's adopted budgets of the immediately  
17 preceding three budget years also shall be provided for public  
18 inspection on the local unit's website, if one exists, or, if one does  
19 not exist, those budgets also shall be provided for public inspection  
20 on the website of the Department of Community Affairs. Any  
21 adopted budget posted online pursuant to this section shall remain  
22 posted online for the duration of the local budget year. The Local  
23 Finance Board shall promulgate a "user-friendly," plain language  
24 summary format for use by local units for this purpose pursuant to  
25 section 39 of P.L.2007, c.63 (C.40A:5-48).

26 (cf: P.L.2011, c.7, s.1)

27

28 17. Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is amended to  
29 read as follows:

30 3. In the preparation of its budget a municipality shall limit any  
31 increase in said budget to 2.5% or the cost-of-living adjustment,  
32 whichever is less, over the previous year's final appropriations  
33 subject to the following exceptions:

34 a. (Deleted by amendment, P.L.1990, c.89.)

35 b. Capital expenditures, including appropriations for current  
36 capital expenditures, whether in the capital improvement fund or as  
37 a component of a line item elsewhere in the budget, provided that  
38 any such current capital expenditure would be otherwise bondable  
39 under the requirements of N.J.S.40A:2-21 and **[40A:2-22]**  
40 N.J.S.40A:2-22;

41 c. (1) An increase based upon emergency temporary  
42 appropriations made pursuant to N.J.S.40A:4-20 to meet an urgent  
43 situation or event which immediately endangers the health, safety or  
44 property of the residents of the municipality, and over which the  
45 governing body had no control and for which it could not plan and  
46 emergency appropriations made pursuant to N.J.S.40A:4-46.  
47 Emergency temporary appropriations and emergency appropriations  
48 shall be approved by at least two-thirds of the governing body and

1 by the Director of the Division of Local Government Services, and  
2 shall not exceed in the aggregate 3% of the previous year's final  
3 current operating appropriations.

4 (2) (Deleted by amendment, P.L.1990, c.89.)

5 The approval procedure in this subsection shall not apply to  
6 appropriations adopted for a purpose referred to in subsection d. or  
7 j. **below** of this section;

8 d. All debt service, including that of a Type I school district;

9 e. Upon the approval of the Local Finance Board in the  
10 Division of Local Government Services, amounts required for  
11 funding a preceding year's deficit;

12 f. Amounts reserved for uncollected taxes;

13 g. (Deleted by amendment, P.L.1990, c.89.)

14 h. Expenditure of amounts derived from new or increased  
15 construction, housing, health or fire safety inspection or other  
16 service fees imposed by State law, rule or regulation or by local  
17 ordinance;

18 i. Any amount approved by any referendum;

19 j. Amounts required to be paid pursuant to (1) any contract  
20 with respect to use, service or provision of any project, facility or  
21 public improvement for water, sewerage, parking, senior citizen  
22 housing or any similar purpose, or payments on account of debt  
23 service therefor, between a municipality and any other municipality,  
24 county, school or other district, agency, authority, commission,  
25 instrumentality, public corporation, body corporate and politic or  
26 political subdivision of this State; (2) the provisions of article 9 of  
27 P.L.1968, c.404 (C.13:17-60 through **13:17-76**) C.13:17-76 by a  
28 constituent municipality to the intermunicipal account; (3) any lease  
29 of a facility owned by a county improvement authority when the  
30 lease payment represents the proportionate amount necessary to  
31 amortize the debt incurred by the authority in providing the facility  
32 which is leased, in whole or in part; and (4) any repayments under a  
33 loan agreement entered into in accordance with the provisions of  
34 section 5 of P.L.1992, c.89 (C.40:48-2.5b);

35 k. (Deleted by amendment, P.L.1987, c.74.)

36 l. Appropriations of federal, county, independent authority or  
37 State funds, or by grants from private parties or nonprofit  
38 organizations for a specific purpose, and amounts received or to be  
39 received from such sources in reimbursement for local  
40 expenditures. If a municipality provides matching funds in order to  
41 receive the federal, county, independent authority or State funds, or  
42 the grants from private parties or nonprofit organizations for a  
43 specific purpose, the amount of the match which is required by law  
44 or agreement to be provided by the municipality shall be excepted;

45 m. (Deleted by amendment, P.L.1987, c.74.)

46 n. (Deleted by amendment, P.L.1987, c.74.)

47 o. (Deleted by amendment, P.L.1990, c.89.)

48 p. (Deleted by amendment, P.L.1987, c.74.)

- 1 q. (Deleted by amendment, P.L.1990, c.89.)
- 2 r. Amounts expended to fund a free public library established
- 3 pursuant to the provisions of R.S.40:54-1 through **[40:54-29]**
- 4 R.S.40:54-29, inclusive;
- 5 s. (Deleted by amendment, P.L.1990, c.89.)
- 6 t. Amounts expended in preparing and implementing a housing
- 7 element and fair share plan pursuant to the provisions of P.L.1985,
- 8 c.222 (C.52:27D-301 et al.) and any amounts received by a
- 9 municipality under a regional contribution agreement pursuant to
- 10 section 12 of **[that act]** P.L.1985, c.222 (C.52:27D-312);
- 11 u. (Deleted by amendment, P.L.2004, c.74.)
- 12 v. (Deleted by amendment, P.L.1990, c.89.)
- 13 w. (Deleted by amendment, P.L.2004, c.74.)
- 14 x. Amounts expended to aid privately owned libraries and
- 15 reading rooms, pursuant to R.S.40:54-35;
- 16 y. (Deleted by amendment, P.L.1990, c.89.)
- 17 z. (Deleted by amendment, P.L.1990, c.89.)
- 18 aa. Extraordinary expenses, approved by the Local Finance
- 19 Board, required for the implementation of an interlocal services
- 20 agreement;
- 21 bb. Any expenditure mandated as a result of a natural disaster,
- 22 civil disturbance or other emergency that is specifically authorized
- 23 pursuant to a declaration of an emergency by the President of the
- 24 United States or by the Governor;
- 25 cc. Expenditures for the cost of services mandated by any order
- 26 of court, by any federal or State statute, or by administrative rule,
- 27 directive, order, or other legally binding device issued by a State
- 28 agency which has identified such cost as mandated expenditures on
- 29 certification to the Local Finance Board by the State agency;
- 30 dd. Expenditures of amounts actually realized in the local
- 31 budget year from the sale of municipal assets in extraordinary cases
- 32 and with the permission of the Local Finance Board;
- 33 ee. Any local unit which is determined to be experiencing fiscal
- 34 distress pursuant to the provisions of P.L.1987, c.75 (C.52:27D-
- 35 118.24 et seq.), whether or not a local unit is an "eligible
- 36 municipality" as defined in section 3 of P.L.1987, c.75 (C.52:27D-
- 37 118.26), and which has available surplus pursuant to the spending
- 38 limitations imposed by P.L.1976, c.68 (C.40A:4-45.1 et seq.), may
- 39 appropriate and expend an amount of that surplus approved by the
- 40 director and the Local Finance Board as an exception to the
- 41 spending limitation ; provided, however, that if the Local Finance
- 42 Board has so approved appropriations and expenditures in amounts
- 43 exceeding the spending limitations for a local unit in at least three
- 44 consecutive years, the Local Finance Board may, upon granting
- 45 such approval in the next subsequent year and finding it reasonable
- 46 to not require future approvals under this exception, adjust the
- 47 spending limitations applicable to a later increase in the local unit's
- 48 budget to 2.5% or the cost-of-living adjustment, whichever is less,

1 over the amount approved to be appropriated and expended in that  
2 year. Any determination approving the appropriation and  
3 expenditure of surplus as an exception to the spending limitations  
4 shall be based upon:

5 1) the local unit's revenue needs for the current local budget  
6 year and its revenue raising capacity;

7 2) the intended actions of the governing body of the local unit  
8 to meet the local unit's revenue needs;

9 3) the intended actions of the governing body of the local unit  
10 to expand its revenue generating capacity for subsequent local  
11 budget years;

12 4) the local unit's ability to demonstrate the source and  
13 existence of sufficient surplus as would be prudent to appropriate as  
14 an exception to the spending limitations to meet the operating  
15 expenses for the local unit's current budget year; and

16 5) the impact of utilization of surplus upon succeeding budgets  
17 of the local unit;

18 ff. Newly authorized operating appropriations for the municipal  
19 court or violation's bureau when approved by the vicinage Presiding  
20 Judge of the Municipal Court after consultation with the mayor and  
21 governing body of the municipality;

22 gg. (Deleted by amendment, P.L.2004, c.74.)

23 hh. (Deleted by amendment, P.L.2004, c.74.)

24 ii. Subject to the approval of the Local Finance Board,  
25 expenditures related to the cost of conducting and implementing a  
26 total property tax levy sale pursuant to section 16 of P.L.1997, c.99  
27 (C.54:5-113.5);

28 jj. Amounts expended for a length of service award program  
29 pursuant to P.L.1997, c.388 (C.40A:14-183 et al.);

30 kk. Amounts expended to provide municipal services or  
31 reimbursement amounts to multifamily dwellings for the collection  
32 and disposal of solid waste generated by the residents of the  
33 multifamily dwellings. This subsection shall cease to be operative  
34 at the end of the first local budget year in which the municipality  
35 has fully phased in its reimbursement amount expenses;

36 ll. Amounts expended by a municipality under an interlocal  
37 services agreement entered into pursuant to the "Interlocal Services  
38 Act," P.L.1973, c.208 (C.40:8A-1 et al.) entered into after the  
39 effective date of P.L.2000, c.126 (C.52:13H-21 et al.). The  
40 governing body of the municipality that will receive the service  
41 may choose to allow the amount of projected annual savings to be  
42 added to the amount of final appropriations upon which its  
43 permissible expenditures are calculated pursuant to section 2 of  
44 P.L.1976, c.68 (C.40A:4-45.2);

45 mm. Amounts expended under a joint contract pursuant to the  
46 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1  
47 et seq.) entered into after the effective date of P.L.2000, c.126  
48 (C.52:13H-21 et al.). The governing body of each participating

1 municipality may choose to allow the amount of projected annual  
2 savings to be added to the amount of final appropriations upon  
3 which its permissible expenditures are calculated pursuant to  
4 section 2 of P.L.1976, c.68 (C.40A:4-45.2);

5 nn. (Deleted by amendment, P.L.2004, c.74.)

6 oo. Amounts appropriated in the first three years after the  
7 effective date of P.L.2003, c.92 (C.18A:7F-5b et al.) for liability  
8 insurance, workers' compensation insurance and employee group  
9 insurance;

10 pp. Amounts appropriated in the first three years after the  
11 effective date of P.L.2003, c.92 (C.18A:7F-5b et al.) for costs of  
12 domestic security preparedness and responses to incidents and  
13 threats to domestic security;

14 qq. Amounts required to be paid by a municipality pursuant to  
15 the provisions of section 4 of P.L.2007, c.311 (C.13:1E-96.5).

16 In the first full year when an existing appropriation or  
17 expenditure that is subject to budget limitations is made an  
18 exception to budget limitations, a municipality shall deduct from its  
19 final appropriations upon which its permissible expenditures are  
20 calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2),  
21 the amount which the municipality expended for that purpose  
22 during the last full budget year, or portion thereof, in which the  
23 purpose so excepted was funded from appropriations in the  
24 municipal budget.

25 In the first full year when an existing appropriation or  
26 expenditure that is not subject to budget limitations is made subject  
27 to budget limitations, a municipality shall add to its final  
28 appropriations upon which its permissible expenditures are  
29 calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2),  
30 the amount which the municipality expended for that purpose  
31 during the last full budget year, or portion thereof, in which the  
32 purpose so excepted was funded from appropriations in the  
33 municipal budget.

34 (cf: P.L.2007, c.311, s.17)

35  
36 18. Section 8 of P.L.1977, c.396 (C.40A:5-15.1) is amended to  
37 read as follows:

38 8. Securities which may be purchased by local units.

39 a. When authorized by a cash management plan approved  
40 pursuant to N.J.S.40A:5-14, any local unit may use moneys which  
41 may be in hand for the purchase of the following types of securities  
42 which, if suitable for registry, may be registered in the name of the  
43 local unit:

44 (1) Bonds or other obligations of the United States of America  
45 or obligations guaranteed by the United States of America;

46 (2) Government money market mutual funds;

47 (3) Any obligation that a federal agency or a federal  
48 instrumentality has issued in accordance with an act of Congress,

- 1 which security has a maturity date not greater than 397 days from  
2 the date of purchase, provided that such obligation bears a fixed rate  
3 of interest not dependent on any index or other external factor;
- 4 (4) Bonds or other obligations of the local unit or bonds or other  
5 obligations of school districts of which the local unit is a part or  
6 within which the school district is located;
- 7 (5) Bonds or other obligations, having a maturity date not more  
8 than 397 days from the date of purchase, approved by the Division  
9 of **Investment of** Local Government Services in the Department  
10 of **the Treasury** Community Affairs for investment by local units;
- 11 (6) Local government investment pools;
- 12 (7) Deposits with the State of New Jersey Cash Management  
13 Fund established pursuant to section 1 of P.L.1977, c.281  
14 (C.52:18A-90.4); or
- 15 (8) Agreements for the repurchase of fully collateralized  
16 securities, if:
- 17 (a) the underlying securities are permitted investments pursuant  
18 to paragraphs (1) and (3) of this subsection a.;
- 19 (b) the custody of collateral is transferred to a third party;
- 20 (c) the maturity of the agreement is not more than 30 days;
- 21 (d) the underlying securities are purchased through a public  
22 depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41);  
23 and
- 24 (e) a master repurchase agreement providing for the custody and  
25 security of collateral is executed.
- 26 b. Any investment instruments in which the security is not  
27 physically held by the local unit shall be covered by a third party  
28 custodial agreement which shall provide for the designation of such  
29 investments in the name of the local unit and prevent unauthorized  
30 use of such investments.
- 31 c. Purchase of investment securities shall be executed by the  
32 "delivery versus payment" method to ensure that securities are  
33 either received by the local unit or a third party custodian prior to or  
34 upon the release of the local unit's funds.
- 35 d. Any investments not purchased and redeemed directly from  
36 the issuer, government money market mutual fund, local  
37 government investment pool, or the State of New Jersey Cash  
38 Management Fund, shall be purchased and redeemed through the  
39 use of a national or State bank located within this State or through a  
40 broker-dealer which, at the time of purchase or redemption, has  
41 been registered continuously for a period of at least two years  
42 pursuant to section 9 of P.L.1967, c.93 (C.49:3-56) and has at least  
43 \$25 million in capital stock (or equivalent capitalization if not a  
44 corporation), surplus reserves for contingencies and undivided  
45 profits, or through a securities dealer who makes primary markets  
46 in U.S. Government securities and reports daily to the Federal  
47 Reserve Bank of New York its position in and borrowing on such  
48 U.S. Government securities.

1 e. For the purposes of this section:

2 (1) a "government money market mutual fund" means an  
3 investment company or investment trust:

4 (a) which is registered with the Securities and Exchange  
5 Commission under the "Investment Company Act of 1940," 15  
6 U.S.C. s.80a-1 et seq., and operated in accordance with 17 C.F.R.  
7 s.270.2a-7;

8 (b) the portfolio of which is limited to U.S. Government  
9 securities that meet the definition of an eligible security pursuant to  
10 17 C.F.R. s.270.2a-7 and repurchase agreements that are  
11 collateralized by such U.S. Government securities in which direct  
12 investment may be made pursuant to paragraphs (1) and (3) of  
13 subsection a. of this section; and

14 (c) which is rated by a nationally recognized statistical rating  
15 organization.

16 (2) a "local government investment pool" means an investment  
17 pool:

18 (a) which is managed in accordance with 17 C.F.R. s.270.2a-7;

19 (b) which is rated in the highest category by a nationally  
20 recognized statistical rating organization;

21 (c) which is limited to U.S. Government securities that meet the  
22 definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and  
23 repurchase agreements that are collateralized by such U.S.  
24 Government securities in which direct investment may be made  
25 pursuant to paragraphs (1) and (3) of subsection a. of this section;

26 (d) which is in compliance with rules adopted pursuant to the  
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
28 seq.) by the Local Finance Board of the Division of Local  
29 Government Services in the Department of Community Affairs,  
30 which rules shall provide for disclosure and reporting requirements,  
31 and other provisions deemed necessary by the board to provide for  
32 the safety, liquidity and yield of the investments;

33 (e) which does not permit investments in instruments that: are  
34 subject to high price volatility with changing market conditions;  
35 cannot reasonably be expected, at the time of interest rate  
36 adjustment, to have a market value that approximates their par  
37 value; or utilize an index that does not support a stable net asset  
38 value ; and

39 (f) which purchases and redeems investments directly from the  
40 issuer, government money market mutual fund, or the State of New  
41 Jersey Cash Management Fund, or through the use of a national or  
42 State bank located within this State, or through a broker-dealer  
43 which, at the time of purchase or redemption, has been registered  
44 continuously for a period of at least two years pursuant to section 9  
45 of P.L.1967, c.93 (C.49:3-56) and has at least \$25 million in capital  
46 stock (or equivalent capitalization if not a corporation), surplus  
47 reserves for contingencies and undivided profits, or through a  
48 securities dealer who makes primary markets in U.S. Government

1 securities and reports daily to the Federal Reserve Bank of New  
2 York its position in and borrowing on such U.S. Government  
3 securities.

4 f. Investments in, or deposits or purchases of financial  
5 instruments made pursuant to this section shall not be subject to the  
6 requirements of the "Local Public Contracts Law," P.L.1971, c.198  
7 (C.40A:11-1 et seq.).

8 (cf: P.L.1997, c.148, s.3)

9

10 19. Section 3 of P.L.1983, c.313 (C.40A:5A-3) is amended to  
11 read as follows:

12 3. As used in this act:

13 a. "Authority" means a body, public and corporate, created by  
14 one or more municipalities or counties pursuant to any law  
15 authorizing that creation, which law provides that the public body  
16 so created has at least the following powers:

17 (1) To adopt and use a corporate seal;

18 (2) To sue and be sued;

19 (3) To acquire and hold real or personal property for its  
20 purposes; and

21 (4) To provide for and secure the payment of its bonds or other  
22 obligations, or to provide for the assessment of a tax on real  
23 property within its district, or to impose charges for the use of its  
24 facilities or any combination thereof.

25 b. "Director" means the Director of the Division of Local  
26 Government Services in the Department of Community Affairs.

27 c. "Service contract" means an agreement of a local unit or units  
28 intended to provide security for an issue of obligations of an  
29 authority, including, but not limited to, a contract providing for  
30 payments by a local unit or units with respect to a project, facility,  
31 or public improvement of an authority or payments for debt service  
32 therefore, but not including such an agreement of a fire district with  
33 respect to a project, facility, or public improvement approved by the  
34 voters of the district pursuant to N.J.S.40A:14-86, which agreement  
35 shall be approved by either the Division of Fire Safety in the  
36 Department of Community Affairs or by ordinance of the governing  
37 body of the municipality which the fire district serves.

38 d. "Local Finance Board" means the Local Finance Board in the  
39 Division of Local Government Services in the Department of  
40 Community Affairs.

41 e. "Local unit or units" means a county or municipality which  
42 created or joined in the creation of an authority, or which proposes  
43 to create or join in the creation thereof, or which proposes to enter  
44 into a service contract with an authority.

45 f. "Project financing" means the financing by an authority of a  
46 public facility for the benefit of the inhabitants of a local unit or  
47 units and for which the financing costs will be paid, directly or  
48 indirectly, by those inhabitants and includes payment for the design

1 and plan for the public facility, but shall not include such financing  
2 by a fire district with respect to a project approved by the voters of  
3 the district pursuant to N.J.S.40A:14-86, which financing shall be  
4 approved by either the Division of Fire Safety in the Department of  
5 Community Affairs or by ordinance of the governing body of the  
6 municipality which the fire district serves.

7 g. "Bond resolution" means a bond resolution of an authority, or  
8 a trust indenture to be executed by an authority, or other similar  
9 proceeding or document.  
10 (cf: P.L.1992, c.79, s.52)

11  
12 20. Section 6 of P.L.1983, c.313 (C.40A:5A-6) is amended to  
13 read as follows:

14 6. Prior to the adoption of a bond resolution by an authority, or  
15 the adoption of an ordinance or resolution of a local unit or units  
16 authorizing a service contract that is part of a project financing, the  
17 proposed project financing shall be submitted to the Local Finance  
18 Board for its review. The Local Finance Board may adopt rules and  
19 regulations, pursuant to the "Administrative Procedure Act,"  
20 P.L.1968, c.410 (C.52:14B-1 et seq.), to permit project financing to  
21 proceed without such application and review if the project financing  
22 is a refunding that will result in savings. The Local Finance Board  
23 shall, in the course of its review, give consideration to:

24 a. The nature, purpose, and scope of the proposed project  
25 financing;

26 b. The engineering and feasibility studies prepared in connection  
27 therewith;

28 c. The terms and provisions of the proposed service contracts,  
29 bond resolutions and, in the instance of a negotiated offering, the  
30 proposed or maximum terms and conditions of sale;

31 d. An estimate of the proposed or maximum schedule of debt  
32 service payments required, and the impact thereof on the budget and  
33 financial condition of the authority and of the local unit;

34 e. The estimate of the annual cost of operating and maintaining  
35 the project as set forth in the engineering report or feasibility  
36 studies; and

37 f. The initial rate, rent, fee, or charge schedule proposed by the  
38 authority, or any other proposed method of raising the amounts  
39 required to finance the operations and payments of debt service on  
40 the obligations of the authority.

41 The Local Finance Board may examine the estimates,  
42 computations or calculations made in connection with the  
43 submission, may require the production of papers, documents,  
44 witnesses or information, may make or cause to be made an audit or  
45 investigation and may take any other action which it may deem  
46 necessary to its review of the submission.

47 (cf: P.L.1987, c.319, s.2)

1       21. Section 10 of P.L.1983, c.313 (C.40A:5A-10) is amended to  
2 read as follows:

3       10. a. Each authority shall submit a budget for each fiscal year  
4 in which it has total budgeted operating appropriations in excess of  
5 \$500,000 to the director prior to its adoption thereof ; provided,  
6 however, that each fire district, notwithstanding the amount of its  
7 total budgeted operations, shall submit a budget for each fiscal year  
8 to the director prior to its adoption thereof. The Local Finance  
9 Board may adopt rules and regulations, pursuant to the  
10 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
11 seq.), to lower the threshold amount requiring budget submittal  
12 pursuant to this section. An authority that has any outstanding debt  
13 obligations or an unrestricted net deficit in a fiscal year shall submit  
14 a budget for that fiscal year to the director prior to its adoption  
15 thereof, notwithstanding its total budgeted operating appropriations  
16 for the fiscal year. The budget shall comply with the terms and  
17 provisions of any bond resolutions, and shall be in such form and  
18 detail as to items of revenue, expenditure and other content as shall  
19 be required by law or by rules and regulations of the Local Finance  
20 Board.

21       b. The Local Finance Board shall prescribe by rule or regulation  
22 the procedure for the adoption of budgets by authorities. The rules  
23 and regulations may include or be similar to any provisions of the  
24 "Local Budget Law" (N.J.S.40A:4-1 et seq.) which the Local  
25 Finance Board shall deem to be practicable or necessary, and may  
26 further include any other provisions and requirements which the  
27 Local Finance Board shall deem appropriate or necessary. The  
28 rules and regulations shall provide for approval or disapproval of a  
29 budget within 45 days of the director's receipt thereof.

30       c. The Local Finance Board shall also prescribe by rule or  
31 regulation the procedures and requirements for execution of any  
32 budget after adoption, and for the administration of financial affairs  
33 of authorities. The rules and regulations may include, without  
34 limitation, any provisions of the "Local Budget Law" (N.J.S.40A:4-  
35 1 et seq.), and the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et  
36 seq.), which the Local Finance Board shall deem to be practicable  
37 and necessary.

38       d. Notwithstanding the provisions of subsection a. of this section  
39 and N.J.S.40A:5A-11, the Local Finance Board is authorized to  
40 adopt rules and regulations, pursuant to the "Administrative  
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to exempt  
42 certain authorities from the requirement that the director approve  
43 their annual budgets and to provide instead for a system of local  
44 examination and approval of such budgets by authority officials,  
45 provided that:

46       (1) the director finds that such authorities are fiscally sound and  
47 that their fiscal practices are conducted in accordance with law and  
48 sound administrative practice;

- 1       (2) the director shall examine the budgets of such authorities in  
2 accordance with the provisions of this section and N.J.S.40A:5A-  
3 11, at least every third year;  
4       (3) the governing body and chief financial officer of each such  
5 authority shall each file a certification with the director stating that,  
6 with reference to the adopted budget of the authority, they have:  
7       (a) examined the budget in the manner prescribed under this  
8 section and N.J.S.40A:5A-11, and determined that the budget  
9 complies with requirements set forth therein; and  
10       (b) determined that the budget complies with all other provisions  
11 of law, including, but not limited to, the "Local Authorities Fiscal  
12 Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), and the  
13 regulations of the Local Finance Board;  
14       (4) all budget documents required by law or the regulations  
15 adopted by the Local Finance Board shall be filed with the director  
16 on a timely basis;  
17       (5) other criteria and responsibilities as established by the  
18 regulations adopted by the Local Finance Board are met.  
19       The director shall act to require immediate compliance with the  
20 "Local Authorities Fiscal Control Law," P.L.1983, c.313  
21 (C.40A:5A-1 et seq.), if the director finds that any such exemption  
22 impairs the fiscal integrity or solvency of any such authority. Any  
23 appeal of a governing body's action in adopting an annual budget  
24 shall be made to the director.  
25 (cf: P.L.1987, c.319, s.5)

26  
27       22. Section 11 of P.L.1983, c.313 (C.40A:5A-11) is amended to  
28 read as follows:

29       11. No authority budget subject to the provisions of subsection  
30 a. of section 10 of P.L.1983, c.313 (C.40A:5A-10) shall be finally  
31 adopted until the director shall have approved same. In granting the  
32 approval, the director shall consider whether or not:

- 33       a. All estimates of revenue are reasonable, accurate and  
34 correctly stated;  
35       b. Items of appropriation are properly set forth;  
36       c. In itemization, form and content, the budget will permit the  
37 exercise of the comptroller function within the authority;  
38       d. The schedule of rates, fees and charges then in effect will  
39 produce sufficient revenues, together with all other anticipated  
40 revenues, to satisfy all obligations to the holders of bonds of the  
41 authority, to meet operating expenses, capital outlays, debt service  
42 requirements, and to provide for such reserves, all as may be  
43 required by law, regulation or terms of contracts and agreements.

44       The director may require such documentation, records and other  
45 information, and undertake any audit or investigation, as he may  
46 deem necessary in connection with his review.

47       If the director finds that all requirements of law and the rules and  
48 regulations of the Local Finance Board have been met, he shall,

1 within 45 days of his receipt of the budget, approve it; otherwise he  
2 shall within that time refuse to approve it. The director, in refusing  
3 to approve the budget, shall not substitute his discretion with  
4 respect to the amount of an appropriation when that amount is not  
5 made mandatory by law or regulation.

6 Any decision of the director in the course of budget review under  
7 this section may be appealed to the Local Finance Board in the  
8 manner generally provided by law.

9 (cf: P.L.1983, c.313, s.11)

10

11 23. Section 17 of P.L.1983, c.313 (C.40A:5A-17) is amended to  
12 read as follows:

13 17. The members of the governing body of each authority shall,  
14 within 45 days of receipt of the annual audit, certify by resolution to  
15 the Local Finance Board that each member thereof has personally  
16 reviewed the annual audit report, and specifically the sections of the  
17 audit report entitled Schedule of Findings and Questioned Costs and  
18 General Comments and Recommendations, and has evidenced same  
19 by group affidavit signed by a majority of the full membership of  
20 the authority in the form prescribed by the Local Finance Board.  
21 Failure to comply with this provision may subject the members of  
22 the authority to the penalty provisions of section 52 of P.L.1947,  
23 c.151 (C.52:27BB-52).

24 (cf: P.L.1987, c.319, s.8)

25

26 24. Section 3 of P.L.1991, c.29 (C.40A:9-22.3) is amended to  
27 read as follows:

28 3. As used in this act:

29 a. "Board" means the Local Finance Board in the Division of  
30 Local Government Services in the Department of Community  
31 Affairs;

32 b. "Business organization" means any corporation, partnership,  
33 firm, enterprise, franchise, association, trust, sole proprietorship,  
34 union or other legal entity;

35 c. "Governing body" means, in the case of a municipality, the  
36 commission, council, board or body, by whatever name it may be  
37 known, having charge of the finances of the municipality, and, in  
38 the case of a county, the board of chosen freeholders, or, in the case  
39 of a county having adopted the provisions of the "Optional County  
40 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), as defined in  
41 the form of government adopted by the county under that act;

42 d. "Interest" means the ownership or control of more than 10%  
43 of the profits, assets or stock of a business organization but shall  
44 not include the control of assets in a nonprofit entity or labor union;

45 e. "Local government agency" means any agency, board,  
46 governing body, including the chief executive officer, bureau,  
47 division, office, commission or other instrumentality within a  
48 county or municipality, and any independent local authority,

1 including any entity created by more than one county or  
2 municipality, which performs functions other than of a purely  
3 advisory nature, but shall not include a school board;

4 f. "Local government employee" means any person, whether  
5 compensated or not, whether part-time or full-time, employed by or  
6 serving on a local government agency who is not a local  
7 government officer, but shall not mean any employee of a school  
8 district;

9 g. "Local government officer" means any person whether  
10 compensated or not, whether part-time or full-time: (1) elected to  
11 any office of a local government agency; (2) serving on a local  
12 government agency which has the authority to enact ordinances,  
13 approve development applications or grant zoning variances; (3)  
14 who is a member of an independent municipal, county or regional  
15 authority; or (4) who is a managerial executive **【or confidential】**  
16 employee of a local government agency, as defined in **【section 3 of**  
17 **the "New Jersey Employer-Employee Relations Act," P.L.1941,**  
18 **c.100 (C.34:13A-3)】** rules and regulations adopted by the Director  
19 of the Division of Local Government Services in the Department of  
20 Community Affairs pursuant to the "Administrative Procedure Act,"  
21 P.L.1968, c.410 (C.52:14B-1 et seq.), but shall not mean any  
22 employee of a school district or member of a school board;

23 h. "Local government officer or employee" means a local  
24 government officer or a local government employee;

25 i. "Member of immediate family" means the spouse or  
26 dependent child of a local government officer or employee residing  
27 in the same household.

28 (cf: P.L.1991, c.29, s.3)

29

30 25. Section 6 of P.L.1991, c.29 (C.40A:9-22.6) is amended to  
31 read as follows:

32 6. a. Local government officers shall annually file a financial  
33 disclosure statement. All financial disclosure statements filed  
34 pursuant to **【this act】** P.L.1991, c.29 shall include the following  
35 information which shall specify, where applicable, the name and  
36 address of each source and the local government officer's job title:

37 (1) Each source of income, earned or unearned, exceeding  
38 \$2,000 received by the local government officer or a member of his  
39 immediate family during the preceding calendar year. Individual  
40 client fees, customer receipts or commissions on transactions  
41 received through a business organization need not be separately  
42 reported as sources of income. If a publicly traded security is the  
43 source of income, the security need not be reported unless the local  
44 government officer or member of his immediate family has an  
45 interest in the business organization;

46 (2) Each source of fees and honorariums having an aggregate  
47 amount exceeding \$250 from any single source for personal  
48 appearances, speeches or writings received by the local government

1 officer or a member of his immediate family during the preceding  
2 calendar year;

3 (3) Each source of gifts, reimbursements or prepaid expenses  
4 having an aggregate value exceeding \$400 from any single source,  
5 excluding relatives, received by the local government officer or a  
6 member of his immediate family during the preceding calendar  
7 year;

8 (4) The name and address of all business organizations in which  
9 the local government officer or a member of his immediate family  
10 had an interest during the preceding calendar year; and

11 (5) The address and brief description of all real property in the  
12 State in which the local government officer or a member of his  
13 immediate family held an interest during the preceding calendar  
14 year.

15 b. The Local Finance Board shall prescribe a financial  
16 disclosure statement form for filing purposes. For counties and  
17 municipalities which have not established ethics boards, the board  
18 shall transmit sufficient copies of the forms to the municipal clerk  
19 in each municipality and the county clerk in each county for filing  
20 in accordance with this act. The municipal clerk shall make the  
21 forms available to the local government officers serving the  
22 municipality. The county clerk shall make the forms available to  
23 the local government officers serving the county.

24 For counties and municipalities which have established ethics  
25 boards, the Local Finance Board shall transmit sufficient copies of  
26 the forms to the ethics boards for filing in accordance with this act.  
27 The ethics boards shall make the forms available to the local  
28 government officers within their jurisdiction.

29 For local government officers serving the municipality, the  
30 original statement shall be filed with the municipal clerk in the  
31 municipality in which the local government officer serves. For  
32 local government officers serving the county, the original statement  
33 shall be filed with the county clerk in the county in which the local  
34 government officer serves. A copy of the statement shall be filed  
35 with the board. In counties or municipalities which have  
36 established ethics boards a copy of the statement shall also be filed  
37 with the ethics board having jurisdiction over the local government  
38 officer. Local government officers shall file the initial financial  
39 disclosure statement within 90 days following the effective date of  
40 this act. Thereafter, statements shall be filed on or before April  
41 30th each year, except that each local government officer shall file a  
42 financial disclosure statement within 30 days of taking office.

43 c. All financial disclosure statements filed shall be public  
44 records.

45 d. The Division of Local Government Services in the  
46 Department of Community Affairs may establish an electronic  
47 filing system for financial disclosure statements required to be filed

1 pursuant to this section.

2 (cf: P.L.2008, c.72, s.1)

3

4 26. Section 5 of P.L.1988, c.110 (C.40A:9-140.10) is amended  
5 to read as follows:

6 5. a. Notwithstanding the provisions of any law to the  
7 contrary, in every municipality there shall be a chief financial  
8 officer appointed by the governing body of the municipality. The  
9 requirement that every municipality shall have a chief financial  
10 officer may be fulfilled by the sharing of a chief financial officer  
11 with another municipality or municipalities under a shared service  
12 agreement entered into pursuant to the provisions of P.L.2007, c.63  
13 (C.40A:65-1 et seq.). Any such shared service agreement shall be  
14 subject to the provisions of section 4 of P.L.2007, c.63 (C.40A:65-  
15 4) and, with respect to pilot municipalities, section 3 of P.L.2013,  
16 c.166 (C.40A:65-4.2). The term of office shall be four years, which  
17 shall run from January 1 in the year in which the chief financial  
18 officer is appointed. The compensation for the chief financial  
19 officer shall be separately set forth in a municipal salary ordinance.

20 If a governing body fails or refuses to comply with this section,  
21 and has received an order from the director to do so, the members  
22 of a governing body who willfully fail or refuse to comply shall  
23 each be subject to a personal penalty of \$25 for each day after the  
24 date fixed for final action that failure or refusal to comply  
25 continues. The amount of the penalty may be recovered by the  
26 director in the name of the State as a personal debt of the member  
27 of the governing body, and shall be paid, upon receipt, into the  
28 State Treasury.

29 In the case of a pilot municipality, a tenured chief financial  
30 officer may be dismissed to effectuate the sharing of a service  
31 entered into pursuant to the provisions of P.L.2007, c.63  
32 (C.40A:65-1 et seq.) and such dismissal shall be deemed to be in  
33 the interest of the economy or efficiency of the participants in the  
34 shared service agreement. The removal of a chief financial officer  
35 under this section shall not require the pilot municipality to fulfill  
36 the requirements of section 2 of P.L.1977, c.39 (C.40A:9-140.8).  
37 Instead, the pilot municipality shall provide the chief financial  
38 officer with a written copy of the shared service agreement entered  
39 into by the pilot municipality, and a letter stating that the position  
40 of chief financial officer in the pilot municipality is being  
41 eliminated for reasons of economy or efficiency as the result of the  
42 shared service agreement.

43 b. The requirement that every municipality shall have a chief  
44 financial officer may be temporarily fulfilled by the appointment of  
45 a private entity to perform the duties of a chief financial officer. A  
46 municipality shall not make such appointment unless approved by  
47 the Director of the Division of Local Government Services in the  
48 Department of Community Affairs. Such approval shall only be

1 granted if the municipality demonstrates that it has made a good  
2 faith effort to hire an individual who holds a municipal finance  
3 officer certificate issued pursuant to the provisions of P.L.1971,  
4 c.413 (C.40A:9-140.1 et seq.). The term of office of a private entity  
5 appointed pursuant to this subsection shall not exceed two years.  
6 Any work performed by such private entity on behalf of the  
7 municipality shall be supervised by at least one employee who  
8 holds a municipal finance officer certificate issued pursuant to the  
9 provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.). Any  
10 documents requiring signature of the chief financial officer of the  
11 municipality shall be executed on behalf of the private entity by an  
12 employee holding a municipal finance officer certificate.  
13 (cf: P.L.2013, c.166, s.11)

14

15 27. Section 8 of P.L.1988, c.110 (C.40A:9-140.13) is amended  
16 to read as follows:

17 8. a. Commencing January 1, 1991, no person shall be  
18 appointed or reappointed as a chief financial officer unless he holds  
19 a municipal finance officer certificate issued pursuant to the  
20 provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.) or this act.

21 b. Any person who has, on or before the effective date of  
22 P.L.1988, c.110 been granted tenure pursuant to the provisions of  
23 section 2 of P.L.1977, c.39 (C.40A:9-140.8) or the provisions of  
24 N.J.S.40A:9-152, may continue to serve in his current position and  
25 shall not be removed from office or denied reappointment except  
26 for just cause and then only after a public hearing conducted  
27 pursuant to sections 2 and 3 of P.L.1977, c.39 (C.40A:9-140.8 and  
28 C.40A:9-140.9).

29 c. Any certified municipal finance officer who has been  
30 appointed as the chief financial officer of a municipality pursuant to  
31 section 5 of P.L.1988, c.110 (C.40A:9-140.10) subsequent to the  
32 effective date of P.L.1988, c.110 and who thereafter filed with the  
33 clerk of that municipality and with the Division of Local  
34 Government Services in the Department of Community Affairs a  
35 notification that he had complied with the requirements of section 2  
36 of P.L.1977, c.39 (C.40A:9-140.8) shall be considered to have been  
37 granted tenure and shall accordingly be entitled to the protections  
38 set forth in subsection b. of section 2 of P.L.1977, c.39 (C.40A:9-  
39 140.8).

40 d. Notwithstanding the provisions of any other law to the  
41 contrary, any person who has served as a municipal finance officer  
42 in the same municipality for a period of not less than five  
43 consecutive years while holding a municipal finance officer  
44 certificate issued in accordance with P.L.1971, c.413 (C.40A:9-  
45 140.1 et seq.), and who thereafter is appointed as the chief financial  
46 officer of that municipality, shall be granted tenure of office upon  
47 the filing with the clerk of the municipality and the Director of the  
48 Division of Local Government Services in the Department of

1 Community Affairs a notification evidencing his compliance with  
2 this section.

3 e. A municipal finance officer who has held office continuously  
4 for five consecutive years in the same municipality may continue to  
5 serve in his current position and shall not be removed from office or  
6 denied reappointment for failure to qualify as a certified municipal  
7 finance officer pursuant to provisions of P.L.1971, c.413 (C.40A:9-  
8 140.1 et seq.) or this act. However, any such individual shall not be  
9 entitled to be appointed as the chief financial officer of that  
10 municipality unless he possesses a municipal finance officer  
11 certificate.

12 f. When a vacancy occurs in the office of chief financial officer  
13 following the appointment of a certified municipal finance officer  
14 to that office, the governing body or chief executive officer, as  
15 appropriate, may appoint, for a period not to exceed one year and  
16 commencing on the date of the vacancy, a person who does not hold  
17 a municipal finance officer certificate to serve as a temporary chief  
18 financial officer. Any person so appointed may, with the approval  
19 of the director, be reappointed as chief financial officer following  
20 the termination of the temporary appointment for one additional  
21 year. No local unit shall have a temporary chief financial officer  
22 for more than two consecutive years. Time served as a temporary  
23 chief financial officer shall not count as time served as a chief  
24 financial officer for the purpose of acquiring tenure pursuant to  
25 subsection a. of section 2 of P.L.1977, c.39 (C.40A:9-140.8) or  
26 subsection d. of this section.

27 g. Upon application by a municipal governing body to the  
28 director, an individual without a municipal finance officer  
29 certificate may, with the approval of the director, be appointed to  
30 serve as the chief financial officer in a municipality in which he is  
31 presently employed if that individual meets all of the requirements  
32 established under subsection a. of section 2 of P.L.1971, c.413  
33 (C.40A:9-140.2) and further has completed four of the seven  
34 training courses identified in subsection b. of section 2 of P.L.1971,  
35 c.413 (C.40A:9-140.2), at least two of which shall be accounting  
36 courses. If any individual appointed as a chief financial officer  
37 pursuant to this subsection fails to obtain a municipal finance  
38 officer certificate prior to January 1, 1992, his appointment as chief  
39 financial officer shall lapse and the municipal governing body shall  
40 appoint a certified municipal finance officer as the municipality's  
41 chief financial officer.

42 (cf: P.L.1991, c.175, s.11)

43

44 28. Section 1 of P.L.1999, c.440 (C.40A:11-4.1) is amended to  
45 read as follows:

46 1. Notwithstanding the provisions of any law, rule or regulation  
47 to the contrary, competitive contracting may be used by local  
48 contracting units in lieu of public bidding for procurement of

- 1 specialized goods and services the price of which exceeds the bid  
2 threshold, for the following purposes:
- 3 a. The purchase or licensing of proprietary computer software  
4 designed for contracting unit purposes, which may include  
5 hardware intended for use with the proprietary software. This  
6 subsection shall not be utilized for the purpose of acquiring general  
7 purpose computer hardware or software;
- 8 b. The hiring of a for-profit entity or a not-for-profit entity  
9 incorporated under Title 15A of the New Jersey Statutes for the  
10 purpose of:
- 11 (1) the operation and management of a wastewater treatment  
12 system or a water supply or distribution facility of the type  
13 described in subsection (37) of section 15 of P.L.1971, c.198  
14 (C.40A:11-15), provided that competitive contracting shall not be  
15 used as a means of awarding contracts pursuant to P.L.1985, c.37  
16 (C.58:26-1 et al.) and P.L.1985, c.72 (C.58:27-1 et al.);
- 17 (2) the operation, management or administration of recreation or  
18 social service facilities or programs, which shall not include the  
19 administration of benefits under the Work First New Jersey  
20 program established pursuant to P.L.1997, c.38 (C.44:10-55 et  
21 seq.), or under General Assistance; or
- 22 (3) the operation, management or administration of data  
23 processing services;
- 24 c. (Deleted by amendment, P.L.2009, c.4).
- 25 d. Homemaker--home health services;
- 26 e. Laboratory testing services;
- 27 f. Emergency medical services;
- 28 g. Contracted food services;
- 29 h. Performance of patient care services by contracted medical  
30 staff at county hospitals, correctional facilities and long-term care  
31 facilities;
- 32 i. At the option of the governing body of the contracting unit,  
33 any good or service that is exempt from bidding pursuant to section  
34 5 of P.L.1971, c.198 (C.40A:11-5);
- 35 j. Concessions;
- 36 k. The operation, management or administration of other  
37 services, with the approval of the Director of the Division of Local  
38 Government Services ;
- 39 l. Maintenance, custodial, and groundskeeping services;
- 40 m. Consulting services;
- 41 n. Emergency medical billing services;
- 42 o. Property appraisal services;
- 43 p. Reassessment or revaluation services;
- 44 q. Grant writing services;
- 45 r. Animal control services.
- 46 Any purpose included herein shall not be considered by a  
47 contracting unit as an extraordinary unspecifiable service pursuant

1 to subparagraph (ii) of paragraph [(a)(ii)] (a) of subsection (1) of  
2 section 5 of P.L.1971, c.198 (C.40A:11-5).  
3 (cf: P.L.2009, c.4, s.7)

4  
5 29. Section 4 of P.L.2001, c.310 (C.40A:12A-67) is amended to  
6 read as follows:

7 4. a. The municipality may issue bonds itself in the manner  
8 provided for herein or pursuant to the "Local Redevelopment and  
9 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) or may apply  
10 to the authority to issue bonds, regardless of whether the  
11 redevelopment project is undertaken under municipal authority  
12 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State  
13 entity redeveloper pursuant to a State entity redevelopment  
14 agreement, which in any case may be secured by payments in lieu  
15 of taxes or special assessments or both or a portion thereof, by the  
16 adoption of a resolution or ordinance, as applicable, of the  
17 governing body of the municipality, authority or State entity to that  
18 effect.

19 b. A municipality that has designated a redevelopment area or  
20 in which a redevelopment project is undertaken by a State entity  
21 redeveloper pursuant to a State entity redevelopment agreement  
22 may, by resolution of its governing body, if it determines to issue  
23 bonds through the authority, enter into contracts with the authority  
24 relating to that redevelopment project, or to act as a redeveloper or  
25 to finance or refinance a redevelopment project undertaken by a  
26 State entity redeveloper pursuant to a State entity redevelopment  
27 agreement within a redevelopment area. A resolution so adopted  
28 shall contain findings and determinations of the governing body: (1)  
29 that all or a portion of the redevelopment project undertaken within  
30 the municipality will result in the redevelopment of the  
31 municipality; and, (2) that the contract with the authority or, to the  
32 extent applicable, the financial agreement with the State entity  
33 redeveloper, is a necessary or important inducement to the  
34 undertaking of the project or the redevelopment project undertaken  
35 by the State entity redeveloper in that it makes the financing thereof  
36 feasible. The contract or contracts, or the terms of any bonds issued  
37 directly by a municipality may provide for the assignment, for the  
38 benefit of bondholders, of all or any portion of payments in lieu of  
39 taxes, or special assessments, or both. A contract may be made and  
40 entered into for a term beginning currently or at some future or  
41 contingent date, and with or without consideration, and for a  
42 specified or unlimited time, and on any terms and conditions which  
43 may be requested by the municipality and, to the extent applicable,  
44 the State entity redeveloper, and, if applicable, as may be agreed to  
45 by the authority and, to the extent applicable, the State entity  
46 redeveloper, in conformity with its contracts with the holders of  
47 bonds, and shall be valid and binding on the municipality. The  
48 municipality is hereby authorized and directed to do and perform

1 any contract so entered into by it and to provide for the discharge of  
2 any obligation thereunder in the same manner as other obligations  
3 of the municipality.

4 Any contract, and any instrument making or evidencing the  
5 same, may be pledged or assigned by the authority, with the consent  
6 of the municipality executing the contract, and, to the extent  
7 applicable, the consent of the State entity redeveloper, to secure its  
8 bonds and thereafter may not be modified except as provided by the  
9 terms of the instrument or by the terms of the pledge or assignment.

10 The municipality may include in the terms of a bond or contract,  
11 including a financial agreement, a provision that the payments in  
12 lieu of taxes or special assessments shall constitute a municipal  
13 charge for the purposes of R.S.54:4-66.

14 c. The payments in lieu of taxes or special assessments, or  
15 both, may be assigned directly by the municipality or the authority  
16 or the trustee for the bonds as payment or security for the bonds.  
17 Notwithstanding any law to the contrary, the assignment shall be an  
18 absolute assignment of all the municipality's right, title, and interest  
19 in the payment in lieu of taxes or special assessments, or both, or  
20 portion thereof, along with the rights and remedies provided to the  
21 municipality under the agreement including, but not limited to, the  
22 right of collection of payments due. Payments in lieu of taxes and  
23 special assessments assigned as provided hereunder shall not be  
24 included in the general funds of the municipality, nor shall they be  
25 subject to any laws regarding the receipt, deposit, investment or  
26 appropriation of public funds and shall retain such status  
27 notwithstanding enforcement of the payment or assessment by the  
28 municipality or assignee as provided herein. The municipality shall  
29 be a "person" within the meaning of that term as defined in section  
30 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this  
31 section shall be a "project" within the meaning of that term as  
32 defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

33 d. Notwithstanding the provisions of subsection g. of section  
34 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to  
35 this section may be issued as non-recourse obligations, and unless  
36 otherwise provided for by a separate action of the municipality to  
37 guarantee such bonds or otherwise provide for a pledge of the  
38 municipality's full faith and credit shall not, except for such action,  
39 be considered to be direct and general obligations of the  
40 municipality, and, absent such action, the municipality shall not be  
41 obligated to levy and collect a tax sufficient in an amount to pay the  
42 principal and interest on the bonds when the same become due and  
43 payable. The provisions of the "Local Government Supervision Act  
44 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to  
45 any bonds issued or authorized pursuant to this section and those  
46 bonds shall not be considered gross debt of the municipality on any  
47 debt statement filed in accordance with the "Local Bond Law,"

1 N.J.S.40A:2-1 et seq., and the provisions of chapter 27 of Title 52  
2 of the Revised Statutes shall not apply to such bonds.

3 e. The proceeds from the sale of bonds and any funds provided  
4 by any department of the State, authority created by the State or bi-  
5 state authority for the purposes described in the "Redevelopment  
6 Area Bond Financing Law," sections 1 through 10 of P.L.2001,  
7 c.310 (C.40A:12A-64 et seq.) or for the purpose of financing or  
8 refinancing a redevelopment project pursuant to a State entity  
9 redevelopment agreement, shall not require compliance with public  
10 bidding laws, including the "Local Public Contracts Law,"  
11 P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the  
12 redeveloper or State entity redeveloper, as the case may be, shall  
13 undertake the redevelopment project. The use of these funds shall  
14 be subject to public accountability and oversight by the issuer of  
15 those bonds, regardless of whether the municipality, agency or  
16 authority provides the funds.

17 f. In order to provide additional security for any loan to a  
18 redeveloper or a State entity redeveloper, as the case may be, or to  
19 bonds issued to finance a redevelopment project, regardless of  
20 whether that redevelopment project is undertaken under municipal  
21 authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a  
22 State entity redeveloper pursuant to a State entity redevelopment  
23 agreement, the municipality may utilize powers otherwise provided  
24 by law, including the "Local Redevelopment and Housing Law,"  
25 P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension  
26 of the municipality's credit to any redeveloper or State entity  
27 redeveloper, as the case may be, or its full faith and credit which  
28 may include a full faith and credit lease as security for the bonds or  
29 any loan to a redeveloper or State entity redeveloper, as the case  
30 may be. To the extent that the municipality provides for a full faith  
31 and credit guarantee of any loan to a redeveloper or State entity  
32 redeveloper, as the case may be, or any bonds, but determines not to  
33 authorize the issuance of bonds or notes to provide for the funding  
34 source thereof, or otherwise determines to enter into a full faith and  
35 credit lease, it may do so by **[resolution approved by a majority of  
36 the full governing body]** an ordinance introduced, adopted, and  
37 published in accordance with the provisions of N.J.S.40A:2-17 and  
38 N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the  
39 first publication of the ordinance or of a summary thereof after final  
40 adoption. To the extent that bonds or notes are authorized as  
41 provided above, such bonds or notes shall be authorized pursuant to  
42 the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and  
43 shall be deductible from the gross debt of the municipality until  
44 such time as such bonds or notes are actually issued, and only up to  
45 the amount actually issued, to fund such guarantee.

46 g. A financial instrument, whether issued by a municipality or  
47 an authority, that is secured in whole or in part by payments in lieu  
48 of taxes or by special assessments, or both, as provided herein shall

1 be subject to the review and approval of the board. That review and  
2 approval shall be made prior to approval of, in the case of a  
3 municipality, an introduced ordinance or, in the case of an  
4 authority, a resolution. The board shall be entitled to receive from  
5 the applicant an amount sufficient to provide for all reasonable  
6 professional and other fees and expenses incurred by it for the  
7 review, analysis and determination with respect thereto. As part of  
8 its review, the board shall specifically solicit comments from the  
9 Office of State Planning and the New Jersey Economic  
10 Development Authority in addition to comments from the public.  
11 The Office of State Planning shall provide comments on whether  
12 the redevelopment project or plan promotes congestion reduction,  
13 enhanced mobility, further redevelopment, and otherwise improves  
14 the quality of life of residents. As part of the board's review and  
15 approval, it shall consider [where appropriate one or more of the  
16 following: whether the redevelopment project or plan promotes  
17 approaches and concepts to reduce congestion; enhance mobility;  
18 assist in the redevelopment of our municipalities; and otherwise  
19 improve the quality of life of our citizens] the comments submitted  
20 and whether the issuance of the redevelopment area bond will  
21 adversely impact the financial stability of the municipality or  
22 service area of the authority.

23 h. A municipality that has assigned any portion of the  
24 payments in lieu of taxes it receives pursuant to a financial  
25 agreement, as payment or security for bonds, may also pledge a  
26 portion of those payments in lieu of taxes as payment or security for  
27 bonds in order to finance or refinance any cost or expense of the  
28 municipality, State entity or authority.

29 i. In the case of a municipality which is otherwise subject to  
30 tax or revenue sharing pursuant to law and which assigns a portion  
31 of the payments in lieu of taxes or special assessments pursuant to a  
32 financial agreement to secure bonds issued by the municipality or  
33 the authority, the assigned portion of those payments in lieu of taxes  
34 or special assessments shall not be considered part of the tax or  
35 revenue sharing formula or calculation of municipal revenues for  
36 the purpose of determining whether that municipality is obligated to  
37 make payment to, or receive a credit from, any tax sharing or  
38 revenue sharing pool.

39 (cf: P.L.2004, c.112, s.3)

40

41 30. N.J.S.40A:14-34 is amended to read as follows:

42 40A:14-34. The governing body of any municipality may raise  
43 and appropriate funds to be granted to the boards of fire  
44 commissioners of any fire district or volunteer fire companies  
45 located therein, up to a total annual appropriation of **[\$90,000.00**  
46 **annually]** \$150,000, which shall be adjusted biennially for inflation  
47 by the Director of the Division of Local Government Services in the  
48 Department of Community Affairs in accordance with the cost-of-

1 living adjustment promulgated pursuant to section 4 of P.L.1983,  
2 c.49 (C.40A:4-45.1a). In any municipality in which there are more  
3 than three such boards or companies, or both, the governing body  
4 may raise and appropriate an additional **【\$30,000.00】** ~~\$50,000~~  
5 annually for each such additional board or company. Any such  
6 board or company shall use not less than 50% of the funds received  
7 pursuant to this section for the purchase of fire equipment, materials  
8 and supplies. All funds appropriated under this section shall be  
9 accounted for to the governing body annually.

10 Any municipality may appropriate such additional sums as it  
11 may deem necessary for the purchase of fire equipment, supplies  
12 and materials for use by fire companies or boards, the title to which  
13 shall remain with the municipality, provided that the funds shall be  
14 controlled and disbursed by the municipality. In the case of a joint  
15 purchase made by the governing bodies of two or more  
16 municipalities pursuant to the provisions of the "Consolidated  
17 Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et seq.), the  
18 title to the purchase shall be held by the joint meeting formed by the  
19 contracting governing bodies.

20 (cf: P.L.1989, c.41, s.1)

21

22 31. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to  
23 read as follows:

24 9. Every approved project shall be evidenced by a financial  
25 agreement between the municipality and the urban renewal entity.  
26 The agreement shall be prepared by the entity and submitted as a  
27 separate part of its application for project approval. The agreement  
28 shall not take effect until approved by ordinance of the  
29 municipality. Any amendments or modifications of the agreement  
30 made thereafter shall be by mutual consent of the municipality and  
31 the urban renewal entity, and shall be subject to approval by  
32 ordinance of the municipal governing body upon recommendation  
33 of the mayor or other chief executive officer of the municipality  
34 prior to taking effect.

35 The financial agreement shall be in the form of a contract  
36 requiring full performance within 30 years from the date of  
37 completion of the project, and shall include the following:

38 a. That the profits of or dividends payable by the urban  
39 renewal entity shall be limited according to terms appropriate for  
40 the type of entity in conformance with the provisions of P.L.1991,  
41 c.431 (C.40A:20-1 et seq.).

42 b. That all improvements and land, to the extent authorized  
43 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the  
44 project to be constructed or acquired by the urban renewal entity  
45 shall be exempt from taxation as provided in P.L.1991, c.431  
46 (C.40A:20-1 et seq.).

1 c. That the urban renewal entity shall make payments for  
2 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et  
3 seq.).

4 d. That the urban renewal entity shall submit annually, within  
5 90 days after the close of its fiscal year, its auditor's reports to the  
6 mayor and governing body of the municipality [and to the Director  
7 of the Division of Local Government Services in the Department of  
8 Community Affairs].

9 e. That the urban renewal entity shall, upon request, permit  
10 inspection of property, equipment, buildings and other facilities of  
11 the entity, and also permit examination and audit of its books,  
12 contracts, records, documents and papers by authorized  
13 representatives of the municipality or the State.

14 f. That in the event of any dispute between the parties matters  
15 in controversy shall be resolved by arbitration in the manner  
16 provided in the financial agreement.

17 g. That operation under the financial agreement shall be  
18 terminable by the urban renewal entity in the manner provided by  
19 P.L.1991, c.431 (C.40A:20-1 et seq.).

20 h. That the urban renewal entity shall at all times prior to the  
21 expiration or other termination of the financial agreement remain  
22 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

23 The financial agreement shall contain detailed representations  
24 and covenants by the urban renewal entity as to the manner in  
25 which it proposes to use, manage or operate the project. The  
26 financial agreement shall further set forth the method for computing  
27 gross revenue for the urban renewal entity, the method of  
28 determining insurance, operating and maintenance expenses paid by  
29 a tenant which are ordinarily paid by a landlord, the plans for  
30 financing the project, including the estimated total project cost, the  
31 amortization rate on the total project cost, the source of funds, the  
32 interest rates to be paid on the construction financing, the source  
33 and amount of paid-in capital, the terms of mortgage amortization  
34 or payment of principal on any mortgage, a good faith projection of  
35 initial sales prices of any condominium units and expenses to be  
36 incurred in promoting and consummating such sales, and the rental  
37 schedules and lease terms to be used in the project. Any financial  
38 agreement may allow the municipality to levy an annual  
39 administrative fee, not to exceed two percent of the annual service  
40 charge.

41 (cf: P.L.2003, c.125, s.9)

42

43 32. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to  
44 read as follows:

45 12. The rehabilitation or improvements made in the development  
46 or redevelopment of a redevelopment area or area appurtenant  
47 thereto or for a redevelopment relocation housing project, pursuant  
48 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from

1 taxation for a limited period as hereinafter provided. When housing  
2 is to be constructed, acquired or rehabilitated by an urban renewal  
3 entity, the land upon which that housing is situated shall be exempt  
4 from taxation for a limited period as hereinafter provided. The  
5 exemption shall be allowed when the clerk of the municipality  
6 wherein the property is situated shall certify to the municipal tax  
7 assessor that a financial agreement with an urban renewal entity for  
8 the development or the redevelopment of the property, or the  
9 provision of a redevelopment relocation housing project, or the  
10 provision of a low and moderate income housing project has been  
11 entered into and is in effect as required by P.L.1991, c.431  
12 (C.40A:20-1 et seq.).

13 Delivery by the municipal clerk to the municipal tax assessor of  
14 a certified copy of the ordinance of the governing body approving  
15 the tax exemption and financial agreement with the urban renewal  
16 entity shall constitute the required certification. For each  
17 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et  
18 al.), upon certification as required hereunder, the tax assessor shall  
19 implement the exemption and continue to enforce that exemption  
20 without further certification by the clerk until the expiration of the  
21 entitlement to exemption by the terms of the financial agreement or  
22 until the tax assessor has been duly notified by the clerk that the  
23 exemption has been terminated.

24 **【Upon the adoption of a financial agreement pursuant to**  
25 **P.L.1991, c.431 (C.40A:20-1 et seq.), a certified copy of the**  
26 **ordinance of the governing body approving the tax exemption and**  
27 **the financial agreement with the urban renewal entity shall**  
28 **forthwith be transmitted to the Director of the Division of Local**  
29 **Government Services.】**

30 Whenever an exemption status changes during a tax year, the  
31 procedure for the apportionment of the taxes for the year shall be  
32 the same as in the case of other changes in tax exemption status  
33 during the tax year. Tax exemptions granted pursuant to P.L.2003,  
34 c.125 (C.40A:12A-4.1 et al.) represent long term financial  
35 agreements between the municipality and the urban renewal entity  
36 and as such constitute a single continuing exemption from local  
37 property taxation for the duration of the financial agreement. The  
38 validity of a financial agreement or any exemption granted pursuant  
39 thereto may be challenged only by filing an action in lieu of  
40 prerogative writ within 20 days from the publication of a notice of  
41 the adoption of an ordinance by the governing body granting the  
42 exemption and approving the financial agreement. Such notice  
43 shall be published in a newspaper of general circulation in the  
44 municipality and in a newspaper of general circulation in the county  
45 if different from the municipal newspaper.

46 a. The duration of the exemption for urban renewal entities  
47 shall be as follows: for all projects, a term of not more than 30 years  
48 from the completion of the entire project, or unit of the project if

1 the project is undertaken in units, or not more than 35 years from  
2 the execution of the financial agreement between the municipality  
3 and the urban renewal entity.

4 b. During the term of any exemption, in lieu of any taxes to be  
5 paid on the buildings and improvements of the project and, to the  
6 extent authorized pursuant to this section, on the land, the urban  
7 renewal entity shall make payment to the municipality of an annual  
8 service charge, which shall remit a portion of that revenue to the  
9 county as provided hereinafter. In addition, the municipality may  
10 assess an administrative fee, not to exceed two percent of the annual  
11 service charge, for the processing of the application. The annual  
12 service charge for municipal services supplied to the project to be  
13 paid by the urban renewal entity for any period of exemption, shall  
14 be determined as follows:

15 (1) An annual amount equal to a percentage determined  
16 pursuant to this subsection and section 11 of P.L.1991, c.431  
17 (C.40A:20-11), of the annual gross revenue from each unit of the  
18 project, if the project is undertaken in units, or from the total  
19 project, if the project is not undertaken in units. The percentage of  
20 the annual gross revenue shall not be more than 15% in the case of  
21 a low and moderate income housing project, nor less than 10% in  
22 the case of all other projects.

23 At the option of the municipality, or where because of the nature  
24 of the development, ownership, use or occupancy of the project or  
25 any unit thereof, if the project is to be undertaken in units, the total  
26 annual gross rental or gross shelter rent or annual gross revenue  
27 cannot be reasonably ascertained, the governing body shall provide  
28 in the financial agreement that the annual service charge shall be a  
29 sum equal to a percentage determined pursuant to this subsection  
30 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total  
31 project cost or total project unit cost determined pursuant to  
32 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day  
33 of the month following the substantial completion of the project or  
34 any unit thereof, if the project is undertaken in units. The  
35 percentage of the total project cost or total project unit cost shall not  
36 be more than 2% in the case of a low and moderate income housing  
37 project, and shall not be less than 2% in the case of all other  
38 projects.

39 (2) In either case, the financial agreement shall establish a  
40 schedule of annual service charges to be paid over the term of the  
41 exemption period, which shall be in stages as follows:

42 (a) For the first stage of the exemption period, which shall  
43 commence with the date of completion of the unit or of the project,  
44 as the case may be, and continue for a time of not less than six years  
45 nor more than 15 years, as specified in the financial agreement, the  
46 urban renewal entity shall pay the municipality an annual service  
47 charge for municipal services supplied to the project in an annual  
48 amount equal to the amount determined pursuant to paragraph (1) of

1 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).  
2 For the remainder of the period of the exemption, if any, the annual  
3 service charge shall be determined as follows:

4 (b) For the second stage of the exemption period, which shall  
5 not be less than one year nor more than six years, as specified in the  
6 financial agreement, an amount equal to either the amount  
7 determined pursuant to paragraph (1) of this subsection and section  
8 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of  
9 taxes otherwise due on the value of the land and improvements,  
10 whichever shall be greater;

11 (c) For the third stage of the exemption period, which shall not  
12 be less than one year nor more than six years, as specified in the  
13 financial agreement, an amount equal to either the amount  
14 determined pursuant to paragraph (1) of this subsection and section  
15 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of  
16 taxes otherwise due on the value of the land and improvements,  
17 whichever shall be greater;

18 (d) For the fourth stage of the exemption period, which shall not  
19 be less than one year nor more than six years, as specified in the  
20 financial agreement, an amount equal to either the amount  
21 determined pursuant to paragraph (1) of this subsection and section  
22 11 of P.L.1991, c.431 (C.40A:20-11), or 60% of the amount of  
23 taxes otherwise due on the value of the land and improvements,  
24 whichever shall be greater; and

25 (e) For the final stage of the exemption period, the duration of  
26 which shall not be less than one year and shall be specified in the  
27 financial agreement, an amount equal to either the amount  
28 determined pursuant to paragraph (1) of this subsection and section  
29 11 of P.L.1991, c.431 (C.40A:20-11), or 80% of the amount of  
30 taxes otherwise due on the value of the land and improvements,  
31 whichever shall be greater.

32 If the financial agreement provides for an exemption period of  
33 less than 30 years from the completion of the entire project, or less  
34 than 35 years from the execution of the financial agreement, the  
35 financial agreement shall set forth a schedule of annual service  
36 charges for the exemption period which shall be based upon the  
37 minimum service charges and staged adjustments set forth in this  
38 section.

39 The annual service charge shall be paid to the municipality on a  
40 quarterly basis in a manner consistent with the municipality's tax  
41 collection schedule.

42 Each municipality which enters into a financial agreement on or  
43 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)  
44 shall remit 5 percent of the annual service charge to the county  
45 upon receipt of that charge in accordance with the provisions of this  
46 section.

47 Against the annual service charge the urban renewal entity shall  
48 be entitled to credit for the amount, without interest, of the real

1 estate taxes on land paid by it in the last four preceding quarterly  
2 installments.

3 Notwithstanding the provisions of this section or of the financial  
4 agreement, the minimum annual service charge shall be the amount  
5 of the total taxes levied against all real property in the area covered  
6 by the project in the last full tax year in which the area was subject  
7 to taxation, and the minimum annual service charge shall be paid in  
8 each year in which the annual service charge calculated pursuant to  
9 this section or the financial agreement would be less than the  
10 minimum annual service charge.

11 c. All exemptions granted pursuant to the provisions of  
12 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time  
13 prescribed in the financial agreement.

14 Upon the termination of the exemption granted pursuant to the  
15 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all  
16 affected parcels, land and all improvements made thereto shall be  
17 assessed and subject to taxation as are other taxable properties in  
18 the municipality. After the date of termination, all restrictions and  
19 limitations upon the urban renewal entity shall terminate and be at  
20 an end upon the entity's rendering its final accounting to and with  
21 the municipality.

22 (cf: P.L.2003, c.125, s.11)

23

24 33. Section 6 of P.L.1953, c.410 (C.47:3-20) is amended to read  
25 as follows:

26 6. No such schedule shall be operative unless approved by the  
27 State Records Committee which is hereby established in the State  
28 Department of Education and which shall consist of the State  
29 Treasurer, the Attorney-General, the State Auditor, a person,  
30 appointed by the Director of the Division of Local Government  
31 Services in the Department of [the Treasury] Community Affairs,  
32 who holds a registered municipal clerk certificate issued pursuant to  
33 N.J.S.40A:9-133 et seq., and the head of the Bureau of Archives  
34 and History in the Department of Education. Each member of the  
35 committee may designate in writing a representative to act in his  
36 place on said committee.

37 The State Records Committee shall have the powers and duties  
38 prescribed for it herein and shall make and promulgate such  
39 regulations, not inconsistent with law, as may be necessary to  
40 adequately effectuate such powers and duties.

41 (cf: P.L.1953, c.410, s.6)

42

43 34. Section 14 of P.L.1947, c.151 (C.52:27BB-14) is amended  
44 to read as follows:

45 14. The board shall adopt rules of procedure to govern hearings  
46 and other proceedings before the board. The board may hold  
47 hearings at the office of the director, or any other place convenient  
48 to the parties. The rules of procedure adopted by the board shall

1 govern all hearings and a record of proceedings shall be taken,  
2 which at the request of a party to the hearing may be stenographic.  
3 Decision shall be made by a majority vote of the board ; provided,  
4 however, that the board shall not authorize fees charged for  
5 financings that are greater than 0.125 percent of the par value of the  
6 bonds to be issued unless the same is approved by at least a two-  
7 thirds majority of the board.

8 (cf: P.L.1947, c.151, s.14)

9

10 35. R.S.54:4-65 is amended to read as follows:

11 54:4-65. a. The Director of the Division of Local Government  
12 Services in the Department of Community Affairs shall approve the  
13 form and content of property tax bills.

14 b. (1) Each tax bill shall have printed thereon a brief tabulation  
15 showing the distribution of the amount raised by taxation in the  
16 taxing district, in such form as to disclose the rate per \$100.00 of  
17 assessed valuation or the number of cents in each dollar paid by the  
18 taxpayer which is to be used for the payment of State school taxes,  
19 other State taxes, county taxes, local school expenditures, free  
20 public library taxes, and other local expenditures. The last named  
21 item may be further subdivided so as to show the amount for each  
22 of the several departments of the municipal government. In lieu of  
23 printing such information on the tax bill, any municipality may  
24 furnish the tabulation required hereunder and any other pertinent  
25 information in a statement accompanying the mailing or delivery of  
26 the tax bill.

27 (2) When a parcel receives a homestead property tax credit  
28 pursuant to the provisions of P.L.2007, c.62 (C.18A:7F-37 et al.),  
29 the amount of the credit shall be included with the tax calculation as  
30 a reduction in the total tax calculation for the year. One-half of the  
31 amount of the credit shall be deducted from taxes otherwise due for  
32 the third installment and the remaining one-half shall be deducted  
33 from taxes otherwise due for the fourth installment.

34 (3) There shall be included on or with the tax bill the delinquent  
35 interest rate or rates to be charged and any end of year penalty that  
36 is authorized and any other such information that the director may  
37 require from time to time.

38 c. The tax bill shall also include a **【calculation stating】**  
39 statement about the availability of, on the Internet website of the  
40 Department of Community Affairs, the amounts of State aid and  
41 assistance received by the municipality, school districts, special  
42 districts, free public libraries, **【and】** county governments that offset  
43 property taxes that are otherwise due on each parcel. The tax bill  
44 shall also include the link to the Internet website of the Department  
45 of Community Affairs containing this information. The director  
46 shall **【certify to each tax collector】** cause the amounts of said State  
47 aid and assistance that shall serve as the basis for the calculation for  
48 each parcel to be displayed on the Internet website of the

1 Department of Community Affairs. The director shall set standards  
2 for the **【calculation and】** display of the statement on the tax bill.

3 d. The tax bill or form mailed with the tax bill shall include  
4 thereon the date upon which each installment is due.

5 e. If a property tax bill includes in its calculation a homestead  
6 property tax credit, the bill shall, in addition to the calculation  
7 showing taxes due, either display a notice concerning the credit on  
8 the face of the property tax bill or with a separate notice, with the  
9 content and wording as the director provides.

10 (cf: P.L.2011, c.38, s.5)

11

12 36. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to  
13 read as follows:

14 9. a. (1) The trust may make and contract to make loans to  
15 local government units, or to a local government unit on behalf of  
16 another local government unit, in accordance with and subject to the  
17 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
18 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater  
19 treatment system project or water supply project, which the local  
20 government unit may lawfully undertake or acquire and for which  
21 the local government unit is authorized by law to borrow money.

22 (2) The trust may make and contract to make loans to public  
23 water utilities, or to any other person or local government unit on  
24 behalf of a public water utility, in accordance with and subject to  
25 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
26 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply  
27 project, which the public water utility may lawfully undertake or  
28 acquire.

29 (3) The trust may make and contract to make loans to private  
30 persons other than local government units, or to any other person or  
31 local government unit on behalf of a private person, in accordance  
32 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1  
33 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost  
34 of stormwater management systems.

35 The loans may be made subject to those terms and conditions as  
36 the trust shall determine to be consistent with the purposes thereof.  
37 Each loan by the trust and the terms and conditions thereof shall be  
38 subject to approval by the State Treasurer, and the trust shall make  
39 available to the State Treasurer all information, statistical data and  
40 reports of independent consultants or experts as the State Treasurer  
41 shall deem necessary in order to evaluate the loan. Each loan to a  
42 local government unit, public water utility or any other person shall  
43 be evidenced by notes, bonds or other obligations thereof issued to  
44 the trust. In the case of each local government unit, notes and  
45 bonds to be issued to the trust by the local government unit (1) shall  
46 be authorized and issued as provided by law for the issuance of  
47 notes and bonds by the local government unit, (2) shall be approved  
48 by **【the Local Finance Board in】** the Division of Local Government

1 Services in the Department of Community Affairs, and (3) <sub>2</sub>  
2 notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28  
3 and N.J.S.40A:2-29 or any other provisions of law to the contrary,  
4 may be sold at private sale to the trust at any price, whether or not  
5 less than par value, and shall be subject to redemption prior to  
6 maturity at any times and at any prices as the trust and local  
7 government units may agree. Each loan to a local government unit,  
8 public water utility or any other person and the notes, bonds or  
9 other obligations thereby issued shall bear interest at a rate or rates  
10 per annum as the trust and the local government unit, public water  
11 utility or any other person, as the case may be, may agree.

12 b. The trust is authorized to guarantee or contract to guarantee  
13 the payment of all or any portion of the principal and interest on  
14 bonds, notes or other obligations issued by a local government unit  
15 to finance the cost of any wastewater treatment system project or  
16 water supply project, which the local government unit may lawfully  
17 undertake or acquire and for which the local government unit is  
18 authorized by law to borrow money, and the guarantee shall  
19 constitute an obligation of the trust for the purposes of P.L.1985,  
20 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et  
21 al.). Each guarantee by the trust and the terms and conditions  
22 thereof shall be subject to approval by the State Treasurer, and the  
23 trust shall make available to the State Treasurer all information,  
24 statistical data and reports of independent consultants or experts as  
25 the State Treasurer shall deem necessary in order to evaluate the  
26 guarantee.

27 c. The trust shall not make or contract to make any loans or  
28 guarantees to local government units, public water utilities or any  
29 other person, or otherwise incur any additional indebtedness, on or  
30 after June 30, 2033.

31 d. Notwithstanding any provision of P.L.1985, c.334  
32 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to  
33 the contrary, the trust may receive funds from any source or issue  
34 its bonds, notes or other obligations in any principal amounts as in  
35 the judgment of the trust shall be necessary to provide sufficient  
36 funds to finance or refinance short-term or temporary loans to local  
37 government units, public water utilities or private persons for any  
38 wastewater treatment system projects included on the project  
39 priority list and eligible for approval pursuant to section 20 of  
40 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
41 the project priority list and eligible for approval pursuant to section  
42 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without  
43 regard to any other provisions of P.L.1985, c.334 or P.L.1997,  
44 c.224, including, without limitation, any administrative or  
45 legislative approvals.

46 The trust shall create and establish a special fund (hereinafter  
47 referred to as the "Interim Financing Program Fund") for the short-

1 term or temporary loan financing or refinancing program  
2 (hereinafter referred to as the "Interim Financing Program").

3 Any short-term or temporary loans made by the trust pursuant to  
4 this subsection may only be made in advance of the anticipated  
5 loans the trust may make and contract to make under the provisions  
6 of subsection a. of this section from any source of funds anticipated  
7 to be received by the trust. Any such short-term or temporary loan  
8 made pursuant to the Interim Financing Program shall mature no  
9 later than the last day of the third succeeding fiscal year following  
10 the closing date on which the short-term or temporary loan was  
11 made by the trust to the project sponsor. The trust may make short-  
12 term or temporary loans pursuant to the Interim Financing Program  
13 to any one or more of the project sponsors, for the respective  
14 projects thereof, identified in the interim financing project priority  
15 list (hereinafter referred to as the "Interim Financing Program  
16 Eligibility List") in the form provided to the Legislature by the  
17 Commissioner of Environmental Protection.

18 Incremental revisions or supplements to the Interim Financing  
19 Program Eligibility List may be submitted to the Legislature at any  
20 time between January 15th and May 15th of each year.

21 The Interim Financing Program Eligibility List, including any  
22 revision thereof or supplement thereto, shall be submitted to the  
23 Legislature on or before June 30 of each year on a day when both  
24 Houses are meeting. The President of the Senate and the Speaker of  
25 the General Assembly shall cause the date of submission to be  
26 entered upon the Senate Journal and the Minutes of the General  
27 Assembly, respectively. Any environmental infrastructure project  
28 or the project sponsor thereof not identified in the Interim Financing  
29 Program Eligibility List shall not be eligible for a short-term or  
30 temporary loan from the Interim Financing Program Fund.

31 (cf: P.L.2013, c.93, s.3)

32

33 37. The following sections are repealed:  
34 Section 15 of P.L.1941, c.151 (C.4:19-15.15);  
35 Section 4 of P.L.1985, c.174 (C.40A:9-133.4); and  
36 Section 7 of P.L.1997, c.279 (C.40A:9-133.9).

37

38 38. This act shall take effect immediately.

39

40

41

#### STATEMENT

42

43 This bill would eliminate several responsibilities of and  
44 reorganize the Division of Local Government Services (DLGS) in  
45 the Department of Community Affairs (DCA) and would also  
46 eliminate or revise several State law mandates on local  
47 governments. This bill would streamline the responsibilities of

1 DLGS and local governments to allow these entities to focus more  
2 of their limited resources on their core functions.

3 The bill would affect DLGS as follows:

- 4 • Transfer the responsibility to review applications for the  
5 dissolution of or withdrawal from regional school districts  
6 from the board of review, on which the Director of DLGS  
7 sits, to the Commissioner of Education. The board of  
8 review process adds significant delays and professional  
9 costs to consideration of such applications, which can be  
10 appropriately considered by the Department of Education.  
11 As the board of review only exists to hear such  
12 applications, it would be abolished.
- 13 • Eliminate the requirement that a copy of an ordinance  
14 establishing a downtown business improvement zone  
15 within a special improvement district be filed with DLGS.  
16 DLGS does not have any oversight of special  
17 improvement districts or any aspects thereof, and the  
18 filing requirement is an unnecessary mandate.
- 19 • Eliminate the requirement that a copy of an annual audit  
20 of a district management corporation, which operates a  
21 special improvement district, be filed with DLGS. Again,  
22 DLGS does not have any oversight of special  
23 improvement districts or any aspects thereof, and the  
24 filing requirement is an unnecessary mandate.
- 25 • Transfer the responsibility to review and approve  
26 municipal port authority budgets from the Local Finance  
27 Board (LFB), an agency within DLGS, to DLGS itself.  
28 DLGS routinely approves such annual budgets and can  
29 review these budgets in a more expedited manner than  
30 LFB.
- 31 • Transfer the responsibility for approving the investment  
32 in local unit bonds, and other obligations by other local  
33 units with a maturity date of no more than 397 days, from  
34 the Division of Investment in the Department of the  
35 Treasury to DLGS. DLGS is the State agency with  
36 primary responsibility to oversee local government  
37 finances, which includes bonding, and has particular  
38 expertise in that area. Thus, DLGS is better equipped to  
39 handle this responsibility than the Division of Investment.
- 40 • Transfer the responsibility for reviewing and approving  
41 fire district service contracts and project financing for  
42 voter-approved projects from LFB to either the Division  
43 of Fire Safety in DCA or the governing body of the  
44 municipality which the fire district serves. These are  
45 relatively small procurements approved by the voters who  
46 will pay for them, and review by either the Division of  
47 Fire Safety or the applicable municipality would be more  
48 appropriate.

- 1           • Allow LFB to adopt rules authorizing local authority  
2           bonded debt refundings to proceed without LFB review  
3           and approval if the refunding will result in savings.  
4           Requiring LFB review and approval of these refundings  
5           may delay bond issuances, which could potentially lead to  
6           higher costs for a local authority. Currently, other local  
7           governments may proceed with such refundings without  
8           LFB review.
- 9           • Eliminate DLGS review and approval of annual budgets  
10          of local authorities that are not fire districts and with less  
11          than \$500,000 in total budgeted operating appropriations,  
12          except for those with any outstanding debt obligations or  
13          an unrestricted net deficit in a fiscal year. LFB would be  
14          allowed to lower the threshold amount. This would  
15          eliminate DLGS oversight of local authorities with small  
16          budgets and no debt. These authorities present very low  
17          risk of insolvency or abusive spending. This would free  
18          DLGS resources to be spent on more time reviewing and  
19          monitoring the budgets of authorities whose finances are  
20          more likely to implicate State interests.
- 21          • Authorize the Director of DLGS to establish a three-year  
22          review cycle of authority budgets, as is currently allowed  
23          for municipal budgets.
- 24          • Authorize the Director of DLGS to determine who is a  
25          managerial executive employee for purposes of the "Local  
26          Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1  
27          et seq.). Currently, these determinations are subject to  
28          legal interpretation, which creates confusion among local  
29          governments. Authorizing DLGS to make these  
30          determinations would provide greater clarity and  
31          consistency in this process.
- 32          • Clarify that the Director of DLGS may establish an  
33          electronic filing system for financial disclosure  
34          statements required to be filed pursuant to the "Local  
35          Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1  
36          et seq.). Current law is subject to interpretation; and  
37          electronic filings, which are faster, cheaper, and more  
38          efficient, should be clearly authorized.
- 39          • Transfer the responsibility, from LFB to the Office of  
40          State Planning, to evaluate whether a project for which  
41          redevelopment area bonds are sought promotes traffic  
42          reduction, enhanced mobility, and further redevelopment.  
43          These are subject matters outside of the scope of LFB's  
44          expertise. The Office of State Planning, by contrast, has  
45          expertise in these matters and would provide a better  
46          evaluation. LFB's role in reviewing and approving  
47          redevelopment area bonds would be concentrated on a  
48          subject area within its expertise, namely the impact of the

- 1 debt issuance on a municipal applicant's financial  
2 stability.
- 3 • Eliminate the requirement that an urban renewal entity  
4 submit its audits to DLGS. DLGS does not have any  
5 oversight of these entities, and the filing requirement is an  
6 unnecessary mandate.
  - 7 • Eliminate the requirement that a copy of a financial  
8 agreement with an urban renewal entity, providing for a  
9 development or redevelopment with a long-term tax  
10 exemption, be filed with DLGS. DLGS does not review  
11 or approve these financial agreements and does not have  
12 any oversight of urban renewal entities, and the filing  
13 requirement is an unnecessary mandate.
  - 14 • Replace the Director of DLGS with an appointee of the  
15 director who has a registered municipal clerk certificate  
16 as a member of the State Records Committee. DLGS  
17 does not have expertise in the public records retention  
18 matters handled by the State Records Committee. By  
19 contrast, municipal clerks, as the records custodians of  
20 their respective municipalities, have such expertise.
  - 21 • Provide that LFB may only authorize fees charged for  
22 financings that are greater than 0.125% of the par value of  
23 bonds being issued by a two-thirds majority vote. Fees in  
24 excess of 0.125% tend to raise more funds than  
25 appropriate for the review of applications. Establishing a  
26 reasonable threshold would limit fees appropriately.
  - 27 • Require the Director of DLGS to maintain an Internet  
28 website which shows the amount of State aid for each  
29 municipality per parcel. This requirement would replace  
30 a paper-based data preparation requirement.
  - 31 • Transfer the responsibility to review and approve loans  
32 approved by the New Jersey Environmental Infrastructure  
33 Trust (NJEIT) from LFB to DLGS. DLGS routinely can  
34 review these loans in a more expedited manner than LFB.
  - 35 • Repeal outdated provisions concerning the issuance of  
36 registered municipal clerk certificates by the Director of  
37 DLGS. Subsequent laws have rendered these provisions  
38 no longer applicable.

39 This bill would affect local governments as follows:

- 40 • Eliminate the requirement that a local government seek a  
41 waiver from DLGS if a local government wishes to sell  
42 an abandoned vehicle at a public auction more than 90  
43 days after the local government takes possession of the  
44 vehicle. Ironically, this outdated requirement can slow  
45 the sale of vehicles contrary to the statutory intent.
- 46 • Allow local units to bond for passenger cars and station  
47 wagons. The current prohibition against such bonding  
48 has led some local units to pursue more expensive

- 1 alternatives, such as leasing these vehicles at high  
2 interest rates or bonding for sport-utility vehicles that are  
3 not needed.
- 4 • Allow municipalities that have issued qualified bonds to  
5 issue other bonds without needing DLGS approval unless  
6 otherwise required by law. Obtaining DLGS approval  
7 for these bonds, which normally do not require such  
8 approval, can be a significant expense for a municipality  
9 and may delay bond issuances and routine capital repairs,  
10 which could potentially lead to even higher costs for the  
11 municipality.
  - 12 • Eliminate the requirement that counties and  
13 municipalities make their budgets available for public  
14 inspection at public libraries. There is almost no public  
15 awareness of the availability of local budgets at public  
16 libraries, and individuals interested in viewing these  
17 budgets generally go to their county's or municipality's  
18 administration building instead. Additionally, local  
19 libraries can make budgets available to the public  
20 electronically if visitors request copies.
  - 21 • Allow a local unit, which has received the approval of  
22 LFB to exceed the appropriation cap in at least three  
23 consecutive years, to have its appropriation cap base  
24 adjusted to the amount approved in the next subsequent  
25 year if such approval is received from LFB in that year  
26 and LFB determines it is reasonable to no longer require  
27 future appropriation cap exception approvals. Obtaining  
28 LFB approval for these cap waivers can be an expense  
29 and cause needless delay for a municipality, and is  
30 unnecessary if the municipality has consistently received  
31 such waivers.
  - 32 • Require that the full membership of the governing body  
33 of a local authority review the Schedule of Findings and  
34 Questioned Costs sections of the local authority's annual  
35 audit. These sections contain significant findings that  
36 merit specific review by the local authority's governing  
37 body.
  - 38 • Allow a municipality to satisfy the requirement of having  
39 a chief financial officer through the temporary  
40 appointment of a private firm. The outdated restriction  
41 disallowing a firm to perform such function needlessly  
42 limits the availability of quality services that can help  
43 address a statewide shortage of qualified persons to serve  
44 as chief financial officers.
  - 45 • Clarify that time served as a temporary chief financial  
46 officer does not count as time served as a chief financial  
47 officer for purposes of acquiring tenure. This  
48 clarification codifies existing practice.

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- Allow a local unit to competitively contract for more services. Currently, a municipality must apply to DLGS for permission to competitively contract for the services added by the bill. Municipalities frequently request permission to competitively contract for these services and DLGS routinely grants these requests, and continuing case-by-case applications needlessly adds delay and costs to the procurement process.
  - Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq. This would allow for more public input and transparency with respect to such guarantees, which, like a bond, can place a substantial financial responsibility on a municipality.
  - Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company. This would allow, but not require, additional support for efficient service providers without creating a new level of government.
  - Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality. Property tax bills are often delayed because the State aid calculation cannot be made until the State budget is adopted. Such delay creates the risk of an interruption of a municipality's cash flow. Under the bill, these data would be available on the DLGS Internet website.
  - Repeal the outdated statutory provision that requires a municipality to canvass all dogs within the municipality.

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2454**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 9, 2015

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 2454.

As amended, this bill, designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, would eliminate several responsibilities of and reorganize the Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) and would also eliminate or revise several State law mandates on local governments. This bill would streamline the responsibilities of DLGS and local governments.

As amended, the bill would affect DLGS as follows:

- Transfer the responsibility to review applications for the dissolution of or withdrawal from regional school districts from the board of review, on which the Director of DLGS sits, to the Commissioner of Education.
- Eliminate the requirement that a copy of an ordinance establishing a downtown business improvement zone within a special improvement district be filed with DLGS.
- Eliminate the requirement that a copy of an annual audit of a district management corporation, which operates a special improvement district, be filed with DLGS.
- Transfer the responsibility to review and approve municipal port authority budgets from the Local Finance Board (LFB), an agency within DLGS, to DLGS itself.
- Transfer the responsibility for approving the investment in local unit bonds, and other obligations by other local units with a maturity date of no more than 397 days, from the Division of Investment in the Department of the Treasury to DLGS.
- Allow LFB to adopt rules authorizing local authority bonded debt refundings to proceed without LFB review and approval if the refunding will result in savings.
- Authorize the Director of DLGS to establish a three-year review cycle of authority budgets, as is currently allowed for municipal budgets.

- Authorize the Director of DLGS to determine who is a managerial executive employee for purposes of the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Clarify that the Director of DLGS may establish an electronic filing system for financial disclosure statements required to be filed pursuant to the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Transfer the responsibility, from LFB to the Office of State Planning, to evaluate whether a project for which redevelopment area bonds are sought promotes traffic reduction, enhanced mobility, and further redevelopment.
- Eliminate the requirement that an urban renewal entity submit its audits to DLGS.
- Eliminate the requirement that a copy of a financial agreement with an urban renewal entity, providing for a development or redevelopment with a long-term tax exemption, be filed with DLGS.
- Replace the Director of DLGS with an appointee of the director who has a registered municipal clerk certificate as a member of the State Records Committee.
- Provide that LFB may only authorize fees charged for financings that are greater than 0.125% of the par value of bonds being issued by a two-thirds majority vote.
- Require the Director of DLGS to maintain an Internet website which shows the amount of State aid for each municipality per parcel.
- Transfer the responsibility to review and approve loans approved by the New Jersey Environmental Infrastructure Trust (NJEIT) from LFB to DLGS.
- Repeal provisions concerning the issuance of registered municipal clerk certificates by the Director of DLGS that no longer apply.

As amended, this bill would affect local governments as follows:

- Eliminate the requirement that a local government seek a waiver from DLGS if a local government wishes to sell an abandoned vehicle at a public auction more than 90 days after the local government takes possession of the vehicle.
- Allow local units to bond for passenger cars and station wagons.
- Allow municipalities that have issued qualified bonds to issue other bonds without needing DLGS approval unless otherwise required by law.
- Eliminate the requirement that counties and municipalities make their budgets available for public inspection at public libraries.

- Allow a local unit, which has received the approval of LFB to exceed the appropriation cap in at least three consecutive years, to have its appropriation cap base adjusted to the amount approved in the next subsequent year if such approval is received from LFB in that year and LFB determines it is reasonable to no longer require future appropriation cap exception approvals.
- Require that the full membership of the governing body of a local authority review the Schedule of Findings and Questioned Costs sections of the local authority's annual audit.
- Allow a municipality to satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm.
- Clarify that time served as a temporary chief financial officer does not count as time served as a chief financial officer for purposes of acquiring tenure.
- Allow a local unit to competitively contract for certain services.
- Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq.
- Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company.
- Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality.
- Repeal the statutory provision that requires a municipality to canvass all dogs within the municipality.

COMMITTEE AMENDMENTS:

- The committee amended the bill to keep the responsibility for reviewing and approving fire district service contracts and project financing for voter-approved projects with LFB instead of transferring the responsibility to the Division of Fire Safety in DCA or the governing body of the municipality which the fire district serves.
- The committee also amended the bill to maintain DLGS review and approval of annual budgets of non-fire district local authorities with less than \$500,000 in total budgeted operating appropriations.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 2454**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 12, 2015

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2454 (1R), with committee amendments.

As amended, this bill designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, would eliminate several responsibilities of and reorganize the Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) and would also eliminate or revise several State law mandates on local governments. This bill would streamline the responsibilities of DLGS and local governments.

As amended, the bill would affect DLGS as follows:

- Transfer the responsibility to review applications for the dissolution of or withdrawal from regional school districts from the board of review, on which the Director of DLGS sits, to the Commissioner of Education.
- Eliminate the requirement that a copy of an ordinance establishing a downtown business improvement zone within a special improvement district be filed with DLGS.
- Eliminate the requirement that a copy of an annual audit of a district management corporation, which operates a special improvement district, be filed with DLGS.
- Transfer the responsibility to review and approve municipal port authority budgets from the Local Finance Board (LFB), an agency within DLGS, to DLGS itself.
- Transfer the responsibility for approving the investment in local unit bonds, and other obligations by other local units with a maturity date of no more than 397 days, from the Division of Investment in the Department of the Treasury to DLGS.
- Allow LFB to adopt rules authorizing local authority bonded debt refundings to proceed without LFB review and approval if the refunding will result in debt service savings on outstanding debt.

- Authorize the Director of DLGS to establish a three-year review cycle of authority budgets, as is currently allowed for municipal budgets.
- Authorize the Director of DLGS to determine who is a managerial executive employee for purposes of the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Clarify that the Director of DLGS may establish an electronic filing system for financial disclosure statements required to be filed pursuant to the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Transfer the responsibility, from LFB to the Office of State Planning, to evaluate whether a project for which redevelopment area bonds are sought promotes traffic reduction, enhanced mobility, and further redevelopment.
- Eliminate the requirement that an urban renewal entity submit its audits to DLGS.
- Eliminate the requirement that a copy of a financial agreement with an urban renewal entity, providing for a development or redevelopment with a long-term tax exemption, be filed with DLGS.
- Replace the Director of DLGS as a member of the State Records Committee with an appointee of the director who has a registered municipal clerk certificate.
- Provide that LFB may only authorize fees charged for financings that are greater than 0.125% of the par value of bonds being issued by a two-thirds majority vote.
- Require the Director of DLGS to maintain an Internet website which shows the amount of State aid for each municipality per parcel.
- Transfer the responsibility to review and approve loans approved by the New Jersey Environmental Infrastructure Trust (NJEIT) from LFB to the Director of DLGS.
- Authorize the Director of DLGS to extend the six-month grace period for the renewal of expired certifications of DLGS-licensed professionals for up to an additional six months in cases of a natural disaster or illness that would have prevented a certificate holder from earning the required continuing education credits in time.
- Repeal provisions concerning the issuance of registered municipal clerk certificates by the Director of DLGS that no longer apply.

As amended, this bill would affect local governments as follows:

- Eliminate the requirement that a local government seek a waiver from DLGS if a local government wishes to sell an abandoned vehicle at a public auction more than 90 days after the local government takes possession of the vehicle.

- Allow local units to bond for passenger cars and station wagons.
- Eliminate the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the debt maturity schedules have already been approved by the NJEIT.
- Allow municipalities that have issued qualified bonds to issue other bonds without needing DLGS approval unless otherwise required by law.
- Eliminate the requirement that counties and municipalities make their budgets available for public inspection at public libraries.
- Require that the full membership of the governing body of a local authority review the Schedule of Findings and Questioned Costs sections of the local authority's annual audit.
- Allow a municipality to satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for up to two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer for up to three consecutive one-year terms, up from the maximum two consecutive one-year terms permitted under current law.
- Clarify that time served as a temporary chief financial officer does not count as time served as a chief financial officer for purposes of acquiring tenure.
- Allow a local unit to competitively contract for certain services.
- Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq.
- Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company.
- Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality.
- Clarify that the statutory five percent down payment requirement for bonds issued by local units does not apply to bond ordinances involving environmental infrastructure projects funded by loans from the NJEIT or the State,

through the Department of Environmental Protection (DEP).

- Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit. Current law only permits bidders to use a certified or cashier's or treasurer's check for a bid deposit.
- Modernize the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), in a manner consistent with the current economic climate, by providing greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders in order to help ensure the attractiveness of these bonds to investors.
- Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) and liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees.
- Allow the governing body of a local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.
- Repeal the statutory provision that requires a municipality to canvass all dogs within the municipality.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

- Clarify the provision eliminating the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the debt maturity schedules have already been approved by the NJEIT with language that conforms to the contemporary structure of NJEIT loans.
- Clarify that copies of county and municipal budgets must be made available to the public upon request, and not just made available for public inspection.
- Preserve LFB appropriation cap exception approvals for local units that received the approval of LFB to exceed the appropriation cap in at least three consecutive years, and not provide such local units an appropriation cap base adjustment to avoid such approvals going forward.
- Clarify that the savings necessary for a local authority bonded debt refunding to proceed without LFB review and approval must be debt service savings on outstanding bond debt.

- Clarify that a municipality may only satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for no more than two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer for up to three consecutive one-year terms.
- Clarify that the responsibility to review and approve loans approved by the NJEIT is transferred from LFB to DLGS, notwithstanding language in the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) that might otherwise still require such LFB review and approval and clarify the provision with language that conforms to the contemporary structure of NJEIT loans.
- Clarify that the statutory five percent down payment requirement for bonds issued by local units does not apply to bond ordinances involving environmental infrastructure projects funded by loans from the NJEIT or the State, through the DEP.
- Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit.
- Modernize the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), to provide greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders.
- Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) and lay-off related unemployment costs incurred to the Department of Labor and Workforce Development.
- Authorize the Director of DLGS to extend the six-month grace period for the renewal of expired certifications of DLGS-licensed professionals for up to an additional six months in cases of a natural disaster or illness that would have prevented a certificate holder from earning the required continuing education credits in time.
- Allow the governing body of a local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.

**FISCAL IMPACT:**

The Office of Legislative Services estimates that the bill, when considered in its entirety, would have an indeterminate impact on State and local finances. While enactment of this legislation would relieve DLGS of certain responsibilities, it is unlikely that this would

significantly affect either the costs incurred by DLGS for the administration of State laws and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements. This legislation also allows local governments some additional flexibility related to those purposes for which bonds and notes may be issued, expands the purposes for which competitive contracting may be used, and provides additional assurances to the purchasers of municipal qualified bonds. The bill also permits the DLGS and Local Finance Board to establish a rotating system for local authority budget review.

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

## SENATE, No. 2454

### STATE OF NEW JERSEY 216th LEGISLATURE

DATED: MAY 20, 2015

#### SUMMARY

- Synopsis:** Streamlines responsibilities of the Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2014.
- Type of Impact:** Indeterminate impact on State and local finances.
- Agencies Affected:** Division of Local Government Services (Community Affairs), counties, municipalities, and local authorities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Finances</b>	Indeterminate Impact – See comments below		
<b>Local Cost</b>	Indeterminate Impact – See comments below		

- The Office of Legislative Services (OLS) concludes that Senate Bill No. 2454 (2R), when considered in its entirety, would have an indeterminate impact on State and local finances.
- It is unlikely that implementation of the bill would significantly affect either the costs incurred by the Division of Local Government Services (DLGS) for the administration of State laws and its discharge statutory duties, or the costs incurred by local government units for complying with certain statutory requirements.
- Counties and municipalities that choose to issue bonds or special emergency notes for newly authorized purposes under the bill will incur costs associated with debt issuance. The issuance of bonds and notes may also result in increased property taxes due to debt service costs.
- Proposed changes to “Municipal Qualified Bond Act” and “Local Authorities Fiscal Control Law” would allow select municipalities and local authorities to incur fewer costs for bond counsel and take advantage of lower interest rates.

## **BILL DESCRIPTION**

Designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, Senate Bill No. 2454 (2R) eliminates several responsibilities of, and reorganizes the DLGS in the Department of Community Affairs (DCA), and would also eliminate or revise several State law mandates on local governments. This bill would streamline the responsibilities of the DLGS and local governments.

Established in 1917 as the Department of Municipal Accounts (see P.L.1917, c.154), the DLGS provides assistance to local governments and authorities in developing, and strengthening managerial, planning, and financial competence. Most notably, the DLGS oversees and monitors compliance with local budgeting, debt, ethics, and finance laws, administers State Aid programs, assists distressed municipalities with financial and managerial support, and assists local governments and schools with procurement regulation. The DLGS also assists with consolidation and shared services efforts, administers certification and continuing education programs for local officials, and oversees local government deferred compensation programs and length of service award programs to volunteer fire and rescue organizations.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that Senate Bill No. 2454 (2R), when considered in its entirety, would have an indeterminate impact on State and local finances. While enactment of this legislation would relieve the DLGS of certain responsibilities, it is unlikely that this would significantly affect either the costs incurred by the DLGS for the administration of State laws and its discharge statutory duties, or the costs incurred by local government units for complying with certain statutory requirements. This legislation also allows local governments some additional flexibility related to those purposes for which bonds and notes may be issued, expands the purposes for which competitive contracting may be used, and provides additional assurances to the purchasers of municipal qualified bonds. The bill also permits the DLGS and Local Finance Board (LFB) to establish a rotating system for local authority budget review. This fiscal estimate will analyze the potential fiscal effects of specific sections of Senate Bill No. 2454 (2R) in five areas: competitive contracting, general local government, local bonding and borrowing, municipal qualified bonds, and oversight of local authority finances.

#### **Competitive Contracting**

Section 26 of Senate Bill No. 2454 (2R) amends section 1 of P.L.1999, c.440 (C40A:11-4.1) to permit the use of competitive contracting for the following services: maintenance, custodial, and groundskeeping; consulting; emergency medical billing; property appraisal; reassessment or revaluation; grant writing; and animal control. Competitive contracting may be used by local contracting units in lieu of public bidding for the procurement of specialized goods and services in excess of the bid threshold. It permits less detailed specifications with a request for proposals approach and uses evaluation criteria and ranking of proposals to determine the contractor who is

the most advantageous, price and other factors considered, instead of an award to the lowest responsible bidder. Competitive contracting provides contracting units and boards of education with greater discretion in entering into contracts with qualified vendors than is permitted under the normal requirements, while providing greater public oversight of the contracting process. To the extent that extending the use of competitive contracting to the aforementioned services allows a local contracting unit to save costs and procure services in a more efficient manner, that unit will experience a reduction in costs. The duration of a contract awarded through the competitive contracting process may not exceed five years.

#### General Local Government

Section 10 of Senate Bill No. 2454 (2R) amends section 22 of P.L.1984, c.151 (C.40:56-88) to eliminate the requirement that a district management corporation must file a certified duplicate copy of the annual audit of its books, accounts, and financial transactions with the DLGS director. A district management corporation is a nonprofit entity created by municipal ordinance, or incorporated pursuant to Title 15A of the New Jersey Statutes, and designated by municipal ordinance to receive funds collected by a special assessment levied within a special improvement district. These entities are granted only those powers authorized by State law and municipal ordinance. The OLS notes that the elimination of this filing requirement will not reduce the level of fiscal oversight over district management corporations.

The monitoring of district management corporation finances is primarily the responsibility of the governing body of the municipality that created the special improvement district. Section 18 of P.L.1984, c.151 (C.40:56-84) requires a district management corporation to submit a detailed annual budget for approval by resolution of the municipal governing body. The budget must contain a report which explains how the budget contributes to the goals and objectives of the special improvement district. The budget must be advertised in a newspaper circulating in the municipality and may not be adopted until a public hearing, at which interested persons may present objections, has been held. The governing body may amend the budget during or after the public hearing. A majority vote of the full membership of the governing body is required for adoption of the district management corporation's budget. The OLS notes that the annual audit of the district management corporation, and a report of its activities for the preceding fiscal year, must be submitted to the governing body of the municipality.

Sections 15 and 16 of Senate Bill No. 2454 (2R) amend N.J.S.40A:4-8 and N.J.S.40A:4-10 to eliminate the requirement that a copy of the approved (introduced) and adopted budget for a county or municipality be made available for public inspection of the local library. Current law requires a county or municipality to make the adopted budget for the current year and three preceding years available on the local unit's website. If the local unit does not have a website, the budgets are posted on a special webpage maintained by the DLGS.

Section 23 of Senate Bill No. 2454 (2R) amends section 6 of P.L.1991, c.29 (C.40A:9-22.6) to permit the DLGS to establish an electronic system for the filing of financial disclosure statements in accordance with the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.). The amendment would codify a filing procedure implemented by the DLGS in 2012. Through the issuance of Local Finance Notice No. 2012-8, the DLGS announced that annual financial disclosure statements would be filed electronically with the LFB. The DLGS stated that this initiative would save the State \$25,000 for costs associated with printing and mailing paper copies of the disclosure statement to local government officers. Although the DLGS experienced technical difficulties during the initial phase of this project, they have been corrected and electronic filing was used in 2013, 2014, and 2015.

Section 28 of Senate Bill No. 2454 (2R) amends N.J.S.40A:14-34 to increase, from \$90,000 to \$150,000, the amount the governing body may annually raise and appropriate to a fire district

or volunteer fire company, and provides for biennial (every other year) inflation adjustments to the contribution limit. Section 28 also amends N.J.S.40A:14-34 to increase, from \$30,000 to \$50,000, the additional amount that may be annually raised for each district when a municipality has three or more fire districts or volunteer fire companies. Under current law, a municipality in which there are three fire districts or volunteer fire companies may raise and appropriate a maximum of \$180,000 annually; if the proposed increases are enacted into law, the maximum annual contribution would increase to \$300,000. The OLS notes that municipal contributions to fire districts and volunteer fire companies are not excluded from the limit on annual increases to the property tax levy.

Section 30 of Senate Bill No. 2454 (2R) amends section 12 of P.L.1991, c.431 (C.40A:20-12) to eliminate the requirement that, upon the adoption of a financial agreement pursuant to the “Long Term Tax Exemption Law,” P.L.1991, c.431 (C.40A:20-1 et seq.), a municipality must transmit to the DLGS director a certified copy of the ordinance adopted by the governing body approving the tax exemption with the urban renewal entity. According to Local Finance Notice No. 2015-9, the “User-Friendly Budget” will include, for the prior year, information on taxable and tax-exempt properties, property tax appeals, and properties subject to the “Long-Term Tax Exemption Law” and the “Five-Year Exemption and Abatement Law,” P.L.1991, c.441 (C.40A:21-1 et seq.). For each municipality, the User-Friendly Budget report will display: 1) a list of projects (i.e. properties) subject to the “Long-Term Tax Exemption Law” and the aggregate impact of exemptions and abatements awarded to properties under the “Five-Year Exemption and Abatement Law”; 2) the taxable value of those projects; 3) the actual in lieu of tax revenue generated by those projects; and 4) the amount of tax revenue that would have been generated if those projects were subject to regular ad valorem taxation.

#### Local Borrowing and Bonding

Section 12 of Senate Bill No. 2454 (2R) amends N.J.S.40A:2-22 to permit counties and municipalities to issue bonds to fund the purchase of new passenger cars and station wagons, and major repairs, reconditioning, or overhaul of fire engines, ambulances, and other similar public safety vehicles which may reasonably be expected to extend the period of usefulness for at least five years. The bonds would have a maximum term of five years. Without more detailed information on which counties and municipalities would bond for these purposes and the principal and interest payments associated with the debt, the OLS is unable to provide a more comprehensive estimate of the impact this proposed change may have on county and municipal finances.

By purchasing new vehicles a county or municipality may save on expenses incurred for maintaining older vehicles. If a municipality chooses to repair an older vehicle it may extend the useful life of more expensive apparatus, such as a fire truck, when purchasing a new vehicle might be cost prohibitive. The OLS notes that annual increases in debt service are excluded from the cap on annual increases to the municipal property tax levy. Accordingly, bonding for the purchase or repair of vehicles may result in increased property taxes.

Section 27 of Senate Bill No. 2454 (2R) amends section 4 of P.L.2001, c.310 (C.40A:12A-67) to required that a municipal guarantee of loans taken out by a redeveloper pursuant to the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al.) must be approved in the same manner as a bond ordinance. Currently these guarantees are effective only upon a resolution adopted by a majority of the full membership of the governing body. Because the “Local Bond Law” (N.J.S.40A:2-1 et seq.) requires a bond ordinance to be published, after introduction and adoption, in a newspaper circulating in the municipality, a municipality seeking to guarantee loans taken out by a redeveloper would incur a marginal increase in costs.

Section 41 of Senate Bill No. 2454 (2R) amends N.J.S.40A:4-53 to authorize special emergency appropriations for: 1) authorized expenses of a consolidation commission established pursuant to the “Uniform Shared Services and Consolidation Act,” sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through 40A:65-35); and liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees. Special emergency appropriations are supported by the proceeds raised through the sale of special emergency notes. Special emergency notes are short-term debt may be issued for select purposes, such as the preparation of tax maps and the codification of municipal ordinances.

Consolidation commissions may incur expenses for the employment of temporary personnel, legal and consulting fees, and the printing of the final commission report. The OLS notes that neither the bill nor current law defines the term “authorized expenses.” The “Uniform Shared Services and Consolidation Act” does not provide a method for apportioning the costs of a consolidation commission amongst the municipalities involved and does not provide a procedure for determining which expenses may be funded by special emergency notes. Municipalities must receive approval of the LFB to use the consolidation process established by P.L.2007, c.63, Presumably, municipalities will be required to provide information to the LFB on any costs they may incur and whether they will be funded through the issuance of short-term debt.

The DLGS has informally noted that most municipalities operate on a “pay-as-you-go” basis for the unemployment insurance fund. Under the pay-as-you go-option, municipal employees pay into the fund, but if unemployment insurance claims exceed the amount contributed by employees, the municipality must pay the difference. Employee layoffs generally occur when a municipality is experiencing fiscal distress. Municipalities that layoff employees incur additional costs associated with the payment of unemployment compensation. Allowing a municipality to authorize special emergency appropriations to pay its unemployment insurance liabilities would provide budget flexibility, allow the Department of Labor and Workforce Development to receive a lump-sum payment, and prevent the municipality seeking Transitional Aid to Localities in order alleviate its budget problems. The OLS notes that this change would permit municipalities to issue debt to fund what is generally considered a regular operating expenditure. Special emergency notes are considered debt and are excluded from increases in the cap on annual increases in the property tax levy. The issuance of debt either of the aforementioned purposes may result in increased property taxes and municipal costs.

#### Municipal Qualified Bonds

The “Municipal Qualified Bond Act” P.L.1976, c.38 (C.40A:3-1 et seq.) is intended to strengthen the credit of fiscally distressed municipalities by allowing a municipality to pledge its anticipated revenue from certain State aid programs, such as Consolidated Municipal Property Tax Relief Aid (CMPTRA) to the payment of principal and interest on bonds. Municipalities must receive approval of the LFB to participate in the qualified bond program. Procedurally, the State Treasurer pays directly to a municipality’s paying agent, rather than to the municipality, a pre-determined amount of State aid for the purposes of making principal and interest payments on bonds.

Section 14 of Senate Bill No. 2454 (2R) amends section 4 of P.L.1976, c.38 (C.40A:3-4) to provide that municipalities in the qualified bond program do not have to appear before the Local Finance Board to receive State approval for any other debt, unless such approval is required by law. Municipalities in the qualified bond program incur bond counsel costs each time they have to appear before the LFB to receive approval for issuing debt. Because the LFB meets monthly, the delay could also jeopardize a municipality’s ability to access the best interest rates offered by

the bond market. Eliminating State approval of non-qualified bond debt would save program participants costs related to bond counsel and debt interest payments.

The OLS notes that Qualified Bond Act municipalities would still be required to submit a Supplemental Debt Statement to the DLGS prior to the adoption of a bond ordinance. The Supplemental Debt Statement shows the municipality's outstanding debt and is used to determine whether the municipality would exceed its statutory debt limit by issuing new debt. All municipalities must receive approval of the Local Finance Board to exceed the statutory debt limit of 3.5 percent of the average equalized value of all property in the municipality for the preceding three years.

#### Oversight of Local Authority Fiscal Affairs

The "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) established a comprehensive framework for State oversight of the fiscal affairs of local authorities and fire districts. Section 18 of Senate Bill No. 2454 (2R) amends section 6 of P.L.1983, c.313 (C.40A:5A-6) to allow the Local Finance Board to adopt rules and regulations to permit local authorities to issue refunding bonds without State approval if the financing will result in savings. Current law requires the Local Finance Board to approve the issuance of all refunding bonds by local authorities. The Local Finance Board has recently adopted rules (See N.J.A.C.5:30-2.5) allowing municipalities, counties, and school districts to issue refunding bonds without State approval under certain conditions (i.e., present value savings are at least three percent and debt savings are substantially level during the term of the refunding bonds). Local authorities would experience a reduction in bond counsel costs and may find it easier to obtain lower interest rates.

Section 10 of P.L.1983, c.313 (C.40A:5A-10) requires the DLGS to annually review and approve all local authority budgets prior to their adoption. Section 19 of Senate Bill No. 2454 (2R) permits the LFB to exempt certain local authorities from annual budget review and provide for a system of local examination and approval by authority officials. The DLGS Director must: (1) find that authorities are fiscally sound and that their fiscal practices are conducted in accordance with the law and sound administrative practice; (2) examine the budgets of all local authorities at least once every three years; (3) the governing body and chief financial officer of each local authority must certify to the DLGS Director that they have examined the budget and determined that it complies with State law and regulations; (4) all budget documents required by State statute or regulation are filed with the DLGS Director on a timely basis; and (5) the local authority has complied with any other criteria adopted by the LFB.

The OLS notes that section 13 of P.L.1996, c.113 permits the DLGS director to establish a system of triennial approval for municipal budgets and a system of municipal examination and approval of such budgets by local officials, provided that the municipality is in compliance with all aspects of the "Local Budget Law," (N.J.S.40A:4-1 et seq.). In addition to complying with the "Local Budget Law," the municipality must satisfy 10 criteria related to its general fiscal health (see N.J.A.C.5:30-7.5). If the municipality fails to meet any one of these criteria, it must submit its budget for review by the DLGS. State regulations also provide that certain municipalities, such as those under State supervision or qualify for urban aid, are not eligible to review their budgets locally (see N.J.A.C.5:30-7.4). Senate Bill No. 2454 (2R) provides that the DLGS director may require immediate compliance with the "Local Authorities Fiscal Control Law" if he finds that exempting a local authority from State budget review would impair the authority's fiscal integrity or solvency.

*Section: Local Government*

*Analyst: Scott A. Brodsky  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY STATE AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

[Second Reprint]  
**SENATE, No. 2454**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 18, 2015

The Assembly State and Local Government Committee reports favorably and with committee amendments Senate Bill No. 2454 (2R).

This bill designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, would eliminate several responsibilities of and reorganize the Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) and would also eliminate or revise several State law mandates on local governments. This bill would streamline the responsibilities of DLGS and local governments.

The bill would affect DLGS as follows:

- Transfer the responsibility to review applications for the dissolution of or withdrawal from regional school districts from the board of review, on which the Director of DLGS sits, to the Commissioner of Education.
- Eliminate the requirement that a copy of an ordinance establishing a downtown business improvement zone within a special improvement district be filed with DLGS.
- Eliminate the requirement that a copy of an annual audit of a district management corporation, which operates a special improvement district, be filed with DLGS.
- Transfer the responsibility to review and approve municipal port authority budgets from the Local Finance Board (LFB), an agency within DLGS, to DLGS itself.
- Transfer the responsibility for approving the investment in local unit bonds, and other obligations by other local units with a maturity date of no more than 397 days, from the Division of Investment in the Department of the Treasury to DLGS.
- Allow LFB to adopt rules authorizing local authority bonded debt refundings to proceed without LFB review and

approval if the refunding will result in debt service savings on outstanding debt.

- Authorize the Director of DLGS to establish a three-year review cycle of authority budgets, as is currently allowed for municipal budgets.
- Authorize the Director of DLGS to determine who is a managerial executive employee for purposes of the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Clarify that the Director of DLGS may establish an electronic filing system for financial disclosure statements required to be filed pursuant to the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Transfer the responsibility, from LFB to the Office of State Planning, to evaluate whether a project for which redevelopment area bonds are sought promotes traffic reduction, enhanced mobility, and further redevelopment.
- Eliminate the requirement that an urban renewal entity submit its audits to DLGS.
- Eliminate the requirement that a copy of a financial agreement with an urban renewal entity, providing for a development or redevelopment with a long-term tax exemption, be filed with DLGS.
- Provide that LFB may only authorize fees charged for financings that are greater than 0.125% of the par value of bonds being issued by a two-thirds majority vote.
- Require the Director of DLGS to maintain an Internet website which shows the amount of State aid for each municipality per parcel.
- Transfer the responsibility to review and approve loans approved by the New Jersey Environmental Infrastructure Trust (NJEIT) from LFB to the Director of DLGS.
- Authorize the Director of DLGS to extend the six-month grace period for the renewal of expired certifications of DLGS-licensed professionals for up to an additional six months in cases of a natural disaster or illness that would have prevented a certificate holder from earning the required continuing education credits in time.
- Repeal provisions concerning the issuance of registered municipal clerk certificates by the Director of DLGS that no longer apply.

Additionally, this bill would affect local governments as follows:

- Eliminate the requirement that a local government seek a waiver from DLGS if a local government wishes to sell an abandoned vehicle at a public auction more than 90 days after the local government takes possession of the vehicle.

- Eliminate the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the debt maturity schedules have already been approved by the NJEIT.
- Allow municipalities that have issued qualified bonds to issue other bonds without needing DLGS approval unless otherwise required by law.
- Eliminate the requirement that counties and municipalities make their budgets available for public inspection at public libraries.
- Require that the full membership of the governing body of a local authority review the Schedule of Findings and Questioned Costs sections of the local authority's annual audit.
- Allow a municipality to satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for up to two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer for up to three consecutive one-year terms, up from the maximum two consecutive one-year terms permitted under current law.
- Clarify that time served as a temporary chief financial officer does not count as time served as a chief financial officer for purposes of acquiring tenure.
- Allow a local unit to competitively contract for certain services.
- Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq.
- Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company.
- Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality.
- Clarify that the statutory five percent down payment requirement for bonds issued by local units does not apply to bond ordinances involving environmental infrastructure projects funded by loans from the NJEIT or the State, through the Department of Environmental Protection (DEP).

- Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit. Current law only permits bidders to use a certified or cashier's or treasurer's check for a bid deposit.
- Modernize the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), in a manner consistent with the current economic climate, by providing greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders in order to help ensure the attractiveness of these bonds to investors.
- Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) and liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees.
- Allow the governing body of a local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.
- Repeal the statutory provision that requires a municipality to canvass all dogs within the municipality.

As amended and reported by the committee, Senate Bill No. 2454 (2R) is identical to Assembly Bill No. 3791 which was also amended and reported by the committee on this same date.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

- Maintain the current prohibition in the "Local Bond Law," N.J.S.40A:2-1 et seq. on local government bonding for the purchase of passenger cars and station wagons.
- Remove an amendment to the "Destruction of Public Records Law (1953)" P.L.1953, c.410, (C.47:3-15 et seq.) that replaced the DLGS Director with an appointee of the director who has a registered municipal clerk certificate.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[Third Reprint]

**SENATE, No. 2454**

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2015

The Assembly Appropriations Committee reports favorably Senate Bill No. 2454 (3R).

This bill designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, eliminates several responsibilities of and reorganizes the Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) and eliminates or revises several State law mandates on local governments. This bill streamlines the responsibilities of DLGS and local governments.

The bill affects DLGS as follows:

- Transfer the responsibility to review applications for the dissolution of or withdrawal from regional school districts from the board of review, on which the Director of DLGS sits, to the Commissioner of Education.
- Eliminate the requirement that a copy of an ordinance establishing a downtown business improvement zone within a special improvement district be filed with DLGS.
- Eliminate the requirement that a copy of an annual audit of a district management corporation, which operates a special improvement district, be filed with DLGS.
- Transfer the responsibility to review and approve municipal port authority budgets from the Local Finance Board (LFB), an agency within DLGS, to DLGS itself.
- Transfer the responsibility for approving the investment in local unit bonds, and other obligations by other local units with a maturity date of no more than 397 days, from the Division of Investment in the Department of the Treasury to DLGS.
- Allow LFB to adopt rules authorizing local authority bonded debt refundings to proceed without LFB review and approval if the refunding will result in debt service savings on outstanding debt.
- Authorize the Director of DLGS to establish a three-year review cycle of authority budgets, as is currently allowed for municipal budgets.

- Authorize the Director of DLGS to determine who is a managerial executive employee for purposes of the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Clarify that the Director of DLGS may establish an electronic filing system for financial disclosure statements required to be filed pursuant to the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Transfer the responsibility, from LFB to the Office of State Planning, to evaluate whether a project for which redevelopment area bonds are sought promotes traffic reduction, enhanced mobility, and further redevelopment.
- Eliminate the requirement that an urban renewal entity submit its audits to DLGS.
- Eliminate the requirement that a copy of a financial agreement with an urban renewal entity, providing for a development or redevelopment with a long-term tax exemption, be filed with DLGS.
- Provide that LFB may only authorize fees charged for financings that are greater than 0.125% of the par value of bonds being issued by a two-thirds majority vote.
- Require the Director of DLGS to maintain an Internet website which shows the amount of State aid for each municipality per parcel.
- Transfer the responsibility to review and approve loans approved by the New Jersey Environmental Infrastructure Trust (NJEIT) from LFB to the Director of DLGS.
- Authorize the Director of DLGS to extend the six-month grace period for the renewal of expired certifications of DLGS-licensed professionals for up to an additional six months in cases of a natural disaster or illness that would have prevented a certificate holder from earning the required continuing education credits in time.
- Repeal provisions concerning the issuance of registered municipal clerk certificates by the Director of DLGS that no longer apply.

Additionally, this bill affects local governments as follows:

- Eliminate the requirement that a local government seek a waiver from DLGS if a local government wishes to sell an abandoned vehicle at a public auction more than 90 days after the local government takes possession of the vehicle.
- Eliminate the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the debt maturity schedules have already been approved by the NJEIT.
- Allow municipalities that have issued qualified bonds to issue other bonds without needing DLGS approval unless otherwise required by law.
- Eliminate the requirement that counties and municipalities make their budgets available for public inspection at public libraries.

- Require that the full membership of the governing body of a local authority review the Schedule of Findings and Questioned Costs sections of the local authority's annual audit.
- Allow a municipality to satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for up to two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer for up to three consecutive one-year terms, up from the maximum two consecutive one-year terms permitted under current law.
- Clarify that time served as a temporary chief financial officer does not count as time served as a chief financial officer for purposes of acquiring tenure.
  - Allow a local unit to competitively contract for certain services.
  - Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq.
  - Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company.
  - Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality.
  - Clarify that the statutory five percent down payment requirement for bonds issued by local units does not apply to bond ordinances involving environmental infrastructure projects funded by loans from the NJEIT or the State, through the Department of Environmental Protection (DEP).
  - Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit. Current law only permits bidders to use a certified or cashier's or treasurer's check for a bid deposit.
  - Modernize the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), in a manner consistent with the current economic climate, by providing greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders in order to help ensure the attractiveness of these bonds to investors.
  - Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) and liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees.

- Allow the governing body of a local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.
- Repeal the statutory provision that requires a municipality to canvass all dogs within the municipality.

As reported, this bill is identical to Assembly Bill No. 3791 (1R), as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services estimates the bill will have an indeterminate impact on State and local finances. While enactment of the bill will relieve the DLGS of certain responsibilities, it is unlikely that this will significantly affect either the costs incurred by the DLGS for the administration of State law and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements. Counties and municipalities that choose to issue special emergency notes for newly authorized purposes under the bill will incur costs associated with debt issuance. Proposed changes to the "Municipal Qualified Bond Act" will allow select municipalities and local authorities to incur fewer costs for bond counsel and take advantage of lower interest rates. The bill also permits the DLGS and LFB to establish a rotating system for local authority budget review.

# LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

## SENATE, No. 2454

### STATE OF NEW JERSEY 216th LEGISLATURE

DATED: JUNE 30, 2015

#### SUMMARY

**Synopsis:** Streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015.

**Type of Impact:** Indeterminate impact on State and local finances.

**Agencies Affected:** Division of Local Government Services (Community Affairs), counties, municipalities, and local authorities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Finances</b>	Indeterminate Impact – See comments below		
<b>Local Cost</b>	Indeterminate Impact – See comments below		

- The Office of Legislative Services (OLS) concludes that Senate Bill No. 2454 (3R) when considered in its entirety would have an indeterminate impact on State and local finances.
- It is unlikely that implementation of the bill would significantly affect either the costs incurred by the Division of Local Government Services (DLGS) for the administration State laws and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements.
- Counties and municipalities that choose to issue special emergency notes for newly authorized purposes under the bill will incur costs associated with debt issuance. The issuance of special emergency notes may also result in increased property taxes due to debt service costs.
- Proposed changes to the “Municipal Qualified Bond Law” and “Local Authorities Fiscal Control Law” would allow select municipalities and local authorities to incur fewer costs for bond counsel and take advantage of lower interest rates.

## **BILL DESCRIPTION**

Designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, Senate Bill No. 2454 (3R) of 2014, eliminates several responsibilities of, and reorganizes the DLGS in the Department of Community Affairs (DCA), and would also eliminate or revise several State law mandates on local governments. This bill would also streamline the responsibilities of DLGS and local governments.

Established in 1917 as the Department of Municipal Accounts (P.L.1917, c.154), the DLGS provides assistance to local governments and authorities in developing and strengthening managerial, planning, and financial competence. Most notably, the DLGS oversees and monitors compliance with local budgeting, debt, ethics, and finance laws, administers State Aid programs, assists distressed municipalities with financial and managerial support, and assists local governments and school districts with procurement regulation. The DLGS also assists with consolidation and shared services efforts, administers certification and continuing education programs for local officials, and oversees local government deferred compensation programs and length of service awards programs to volunteer fire and rescue personnel.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that Senate Bill No. 2454 (3R), when considered in its entirety, would have an indeterminate impact on State and local finances. While enactment of this legislation would relieve the DLGS of certain responsibilities, it is unlikely that this would significantly affect either the costs incurred by the DLGS for the administration of State law and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements. This legislation also allows local governments some additional flexibility related to those purposes for which special emergency notes may be issued, and provides additional assurances to the purchasers of municipal qualified bonds. The bill also permits the DLGS and Local Finance Board (LFB) to establish a rotating system for local authority budget review. This fiscal estimate will analyze the potential fiscal effects of specific sections of Senate Bill No. 2454 (3R) in five areas: competitive contracting, general local government, local borrowing and bonding, municipal qualified bonds, and oversight of local authority finances.

#### **Competitive Contracting**

Section 25 of Senate Bill No. 2454 (3R) amends section 1 of P.L.1999, c.440 (C40A:11-4.1) to permit the use of competitive contracting for the following services: maintenance, custodial, and groundskeeping; consulting; emergency medical billing; property appraisal; reassessment or revaluation; grant writing; and animal control. Competitive contracting may be used by local contracting units in lieu of public bidding for the procurement of specialized goods and services in excess of the bid threshold. It permits less detailed specifications through a request for proposals approach and uses evaluation criteria and ranking of proposals to determine the contractor who is the most advantageous, price and other factors considered, instead of an award

to the lowest responsible bidder. Competitive contracting provides contracting units and boards of education with greater discretion in entering into contracts with qualified vendors than is permitted under the normal requirements. To the extent that extending the use of competitive contracting to the aforementioned services allows a local contracting unit to save costs and procure services in a more efficient manner, that unit will experience a reduction in costs. The duration of a contract awarded through the competitive contracting process may not exceed five years.

#### General Local Government

Section 10 of Senate Bill No. 2454 (3R) amends section 22 of P.L.1984, c.151 (C.40:56-88) to eliminate the requirement that a district management corporation must file a certified duplicate copy of the annual audit of its books, accounts, and financial transactions with the DLGS director. A district management corporation is a nonprofit entity created by municipal ordinance, or incorporated pursuant to Title 15A of the New Jersey Statutes, and designated by municipal ordinance to receive funds collected by a special assessment levied within a special improvement district. These entities are granted only those powers authorized by State law and municipal ordinance. The OLS notes that the elimination of this filing requirement will not reduce the level of fiscal oversight over district management corporations.

The monitoring of district management corporation finances is primarily the responsibility of the governing body of the municipality that created the special improvement district. Section 18 of P.L.1984, c.151 (C.40:56-84) requires a district management corporation to submit a detailed annual budget for approval by resolution of the municipal governing body. The budget must contain a report which explains how the budget contributes to the goals and objectives of the special improvement district. The budget must be advertised in a newspaper circulating in the municipality and may not be adopted until a public hearing, at which interested persons may present objections to the budget, has been held. The governing body may amend the budget during or after the public hearing. A majority vote of the full membership of the governing body is required for adoption of the district management corporation's budget. The OLS notes that the annual audit of the district management corporation, and a report of its activities for the preceding fiscal year, must be submitted to the governing body of the municipality.

Sections 14 and 15 of Senate Bill No. 2454 (3R) amend N.J.S.40A:4-8 and N.J.S.40A:4-10 to eliminate the requirement that a copy of the approved (introduced) and adopted budget for a county or municipality be made available for public inspection at the local library. Current law requires a county or municipality to make the adopted budget for the current year and three preceding years available on the local unit's website. If the local unit does not have a website, the budgets are posted on a special webpage maintained by the DLGS. People wishing to view the budget could still do so through library computers.

Section 22 of Senate Bill No. 2454 (3R) amends section 6 of P.L.1991, c.29 (C.40A:9-22.6) to permit the DLGS to establish an electronic system for the filing of financial disclosure statements in accordance with the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.). The amendment would codify a filing procedure implemented by the DLGS in 2012. Through the issuance of Local Finance Notice No. 2012-8, the DLGS announced that annual financial disclosure statements would be filed electronically with the LFB. The DLGS stated that this initiative would save the State \$25,000 for costs associated with printing and mailing paper copies of the disclosure statement to local government officers. Although the DLGS experienced technical difficulties during the initial phase of this project, they have been corrected and electronic filing was used in 2013, 2014, and 2015.

Section 27 of Senate Bill No. 2454 (3R) amends N.J.S.40A:14-34 to increase, from \$90,000 to \$150,000, the amount the governing body may annually raise and appropriate to a fire district

or volunteer fire company, and provides for biennial (every other year) inflation adjustments to the contribution limit. Section 27 also amends N.J.S.40A:14-34 to increase, from \$30,000 to \$50,000, the additional amount that may be annually raised for each district when a municipality has three or more fire districts or volunteer fire companies. Under current law, a municipality in which there are three fire districts or volunteer fire companies may raise and appropriate a maximum of \$180,000 annually; if the proposed increases are enacted into law, the maximum annual contribution would increase to \$300,000. The OLS notes that municipal contributions to fire districts and volunteer fire companies are not excluded from the limit on annual increases to the property tax levy.

Section 29 of Senate Bill No. 2454 (3R) amends section 12 of P.L.1991, c.431 (C.40A:20-12) to eliminate the requirement that, upon the adoption of a financial agreement pursuant to the “Long Term Tax Exemption Law,” P.L.1991, c.431 (C.40A:20-1 et seq.), a municipality must transmit to the DLGS director a certified copy of the ordinance adopted by the governing body approving the tax exemption with the urban renewal entity. According to Local Finance Notice No. 2015-9, the “User-Friendly Budget” will include, for the prior year, information on taxable and tax-exempt properties, property tax appeals, and properties subject to the “Long-Term Tax Exemption Law” and the “Five-Year Exemption and Abatement Law,” P.L.1991, c.441 (C.40A:21-1 et seq.). For each municipality, the User-Friendly Budget report will display: 1) a list of projects (i.e. properties) subject to the “Long-Term Tax Exemption Law” and the aggregate impact of exemptions and abatements awarded to properties under the “Five-Year Exemption and Abatement Law”; 2) the taxable value of those projects; 3) the actual in lieu of tax revenue generated by those projects; and 4) the amount of tax revenue that would have been generated if those projects were subject to regular ad valorem taxation.

#### Local Borrowing and Bonding

Section 27 of Senate Bill No. 2454 (3R) amends section 4 of P.L.2001, c.310 (C.40A:12A-67) to require that a municipal guarantee of loans taken out by a redeveloper pursuant to the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al.) must be approved in the same manner as a bond ordinance. Currently, these guarantees are effective only upon a resolution adopted by a majority of the full membership of the governing body. Because the “Local Bond Law” (N.J.S.40A:2-1 et seq.) requires a bond ordinance to be published, after introduction and adoption, in a newspaper circulating in the municipality, a municipality seeking to guarantee loans taken out by a redeveloper would incur a marginal increase in costs.

Section 39 of Senate Bill No. 2454 (3R) amends N.J.S.40A:4-53 to authorize special emergency appropriations for: 1) authorized expenses of a consolidation commission established pursuant to the “Uniform Shared Services and Consolidation Act,” sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through 40A:65-35); and 2) liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees. Special emergency appropriations are supported by the proceeds raised through the sale of special emergency notes. Special emergency notes are short-term debt which may be issued for select purposes, such as the preparation of tax maps and the codification of municipal ordinances.

Consolidation commissions may incur expenses for the employment of temporary personnel, legal and consulting fees, and the printing of the final commission report. The OLS notes that neither the bill nor current law defines the term “authorized expenses.” The “Uniform Shared Services and Consolidation Act” does not provide a method for apportioning the costs of a consolidation commission amongst the municipalities involved and does not provide a procedure for determining which expenses may be funded by special emergency notes. Municipalities must receive approval of the LFB to use the consolidation process established by P.L.2007, c.63.

Presumably, municipalities will be required to provide information to the LFB on any costs they may incur and whether they will be funded through the issuance of short-term debt.

The DLGS has informally noted that most municipalities operate on a “pay-as-you-go” basis for the unemployment insurance fund. Under the pay-as-you-go option, municipal employees pay into the fund, but if unemployment insurance claims exceed the amount contributed by employees, the municipality must pay the difference. Employee lay offs generally occur when a municipality is experiencing fiscal distress. Municipalities that lay off employees incur additional costs associated with the payment of unemployment compensation. Allowing a municipality to authorize special emergency appropriations to pay its unemployment insurance liabilities would provide budget flexibility, allow the Department of Labor and Workforce Development to receive a lump-sum payment, and prevent the municipality from seeking Transitional Aid to Localities in order to alleviate its budget problems. The OLS notes that this change would permit municipalities to issue debt to fund what is generally considered a regular operating expenditure. Special emergency notes are considered debt and are excluded from increases in the cap on annual increases to the property tax levy. The issuance of debt for either of the aforementioned purposes may result in increased property taxes and municipal costs.

#### Municipal Qualified Bonds

The “Municipal Qualified Bond Act” P.L.1976, c.38 (C.40A:3-1 et seq.) is intended to strengthen the credit of fiscally distressed municipalities by allowing a municipality to pledge its anticipated revenue from certain State aid programs, such as Consolidated Municipal Property Tax Relief Aid (CMPTRA), to the payment of principal and interest on bonds. Municipalities must receive approval of the LFB to participate in the qualified bond program. Procedurally, the State Treasurer pays directly to a municipality’s paying agent, rather than to the municipality, a pre-determined amount of State aid for the purpose of making principal and interest payments on municipal bonds.

Section 13 of Senate Bill No. 2454 (3R) amends section 4 of P.L.1976, c.38 (C.40A:3-4) to provide that municipalities in the qualified bond program do not have to appear before the LFB to receive State approval for any other debt, unless such approval is required by law. Municipalities in the qualified bond program incur bond counsel costs each time they have to appear before the LFB to receive approval for issuing debt. Because the LFB meets monthly, the delay could also jeopardize a municipality’s ability to access the best interest rates offered by the bond market. Eliminating State approval of non-qualified bond debt would save program participants costs related to bond counsel and debt interest payments.

The OLS notes that Qualified Bond Act municipalities would still be required to submit a Supplemental Debt Statement to the DLGS prior to the adoption of a bond ordinance. The Supplemental Debt Statement shows the municipality’s outstanding debt and is used to determine whether the municipality would exceed its statutory debt limit by issuing new debt. All municipalities must receive approval of the LFB to exceed the statutory debt limit of 3.5 percent of the average equalized value of all property in the municipality for the preceding three years.

#### Oversight of Local Authority Fiscal Affairs

The “Local Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-1 et seq.) established a comprehensive framework for State oversight of the fiscal affairs of local authorities and fire districts. Section 17 of Senate Bill No. 2454 (3R) amends section 6 of P.L.1983, c.313 (C.40A:5A-6) to allow the Local Finance Board to adopt rules and regulations to permit local authorities to issue refunding bonds without State approval if the financing will result in savings. Current law requires the LFB to approve the issuance of all refunding bonds by

local authorities. The LFB has recently adopted rules (see N.J.A.C.5:30-2.5) allowing municipalities, counties, and school districts to issue refunding bonds without State approval under certain conditions (i.e., present value savings are at least three percent and debt savings are substantially level during the term of the refunding bonds). Local authorities would experience a reduction in bond counsel costs and may find it easier to obtain lower interest rates.

Section 10 of P.L.1983, c.313 (C.40A:5A-10) requires the DLGS to annually review and approve all local authority budgets prior to their adoption. Section 18 of Senate Bill No. 2454 (3R) permits the LFB to exempt certain local authorities from annual budget review and provide for a system of local examination and approval by authority officials. The DLGS Director must: (1) find that authorities are fiscally sound and that their fiscal practices are conducted in accordance with the law and sound administrative practice; (2) examine the budgets of all local authorities at least once every three years; (3) the governing body and chief financial officer of each local authority must certify to the DLGS Director that they have examined the budget and determined that it complies with State law and regulations; (4) all budget documents required by State statute or regulation are filed with the DLGS Director on a timely basis; and (5) the local authority has complied with any other criteria adopted by the LFB.

The OLS notes that section 13 of P.L.1996, c.113 permits the DLGS director to establish a system of triennial approval for municipal budgets and a system of municipal examination and approval of such budgets by local officials, provided that the municipality is in compliance with all aspects of the "Local Budget Law," (N.J.S.40A:4-1 et seq.). In addition to complying with the "Local Budget Law," the municipality must satisfy 10 criteria related to its general fiscal health (see N.J.A.C.5:30-7.5). If the municipality fails to meet any one of these criteria, it must submit its budget for review by the DLGS. State regulations also provide that certain municipalities, such as those under State supervision or that qualify for urban aid, are not eligible to review their budgets locally (see N.J.A.C.5:30-7.4). Senate Bill No. 2454 (3R) provides that the DLGS director may require immediate compliance with the "Local Authorities Fiscal Control Law" if he finds that exempting a local authority from State budget review would impair the authority's fiscal integrity or solvency.

*Section: Local Government*

*Analyst: Scott A. Brodsky  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 3791

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED OCTOBER 2, 2014

**Sponsored by:**

**Assemblywoman LINDA STENDER**

**District 22 (Middlesex, Somerset and Union)**

**Assemblyman ROBERT AUTH**

**District 39 (Bergen and Passaic)**

**Assemblyman BOB ANDRZEJCZAK**

**District 1 (Atlantic, Cape May and Cumberland)**

**Assemblyman ROBERT D. CLIFTON**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman TIMOTHY J. EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblyman CARMELO G. GARCIA**

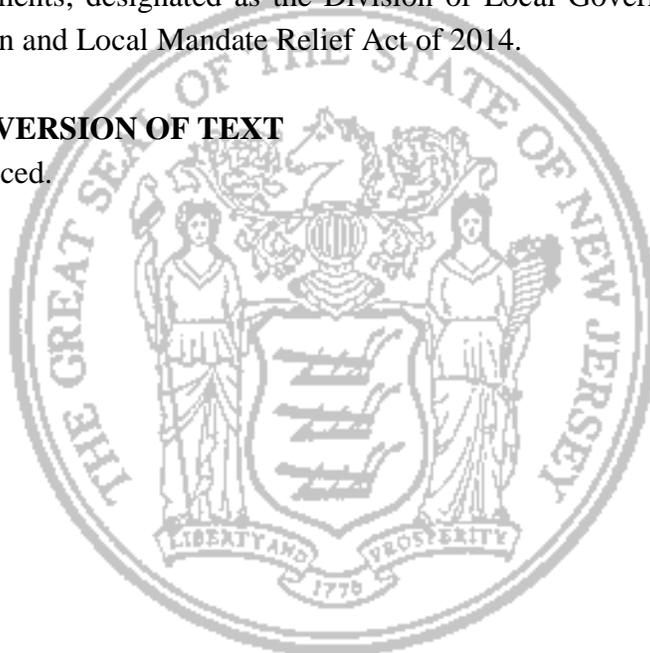
**District 33 (Hudson)**

**SYNOPSIS**

Streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2014.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/14/2014)**

1 AN ACT concerning local governments and designated as the  
2 Division of Local Government Services Modernization and  
3 Local Mandate Relief Act of 2014, and amending and repealing  
4 various parts of the statutory law.

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

8  
9 1. N.J.S.18A:8-12 is amended to read as follows:  
10 18A:8-12. Within 15 days after the filing of the answers to the  
11 petition, the **[**commissioner of education shall submit the petition  
12 and answers to a board of review consisting of the commissioner of  
13 education, as chairman, the commissioner of conservation and  
14 economic development and the director of the division of local  
15 government in the department of the treasury, which**]**  
16 Commissioner of Education shall hold a hearing thereon at the  
17 request of any interested party and shall consider the effect of the  
18 proposed separation upon the educational and financial condition of  
19 both the new and remaining districts on the basis of the allegations  
20 of the petition and answers and of any other factors which might  
21 have been alleged in the answers as hereinbefore provided.  
22 (cf: N.J.S.18A:8-12)

23  
24 2. N.J.S.18A:8-13 is amended to read as follows:  
25 18A:8-13. Within 60 days after the receipt of the petition and  
26 answers, the **[**board of review**]** Commissioner of Education shall **[**,  
27 by a recorded roll call majority vote of the full membership of such  
28 board,**]** grant the application and determine the amount of  
29 indebtedness, if any, to be assumed by the remaining and new  
30 districts, respectively, or deny the same.  
31 (cf: N.J.S.18A:8-13)

32  
33 3. N.J.S.18A:8-22 is amended to read as follows:  
34 18A:8-22. Upon the creation of the new district, title to all  
35 school grounds and buildings and the furnishings and equipment  
36 thereof situate therein shall vest in the board of education of that  
37 district, and such board shall thereupon assume such amount of the  
38 indebtedness of the original school district as shall have been  
39 determined upon by the **[**board of review**]** Commissioner of  
40 Education and shall pay to the board of the remaining district, at  
41 least five days before the same shall become due, the amount of the  
42 principal and interest of the indebtedness so assumed, and said  
43 principal and interest shall be paid by the board of the remaining  
44 district as and when the same becomes due and payable.  
45 (cf: N.J.S.18A:8-22)

**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       4. Section 6 of P.L.1975, c.360 (C.18A:13-56) is amended to  
2 read as follows:

3       6. **【**Within 15 days after the filing of the answers to the  
4 petition, **the】** The Commissioner of Education shall **【submit】**  
5 review the petition and answers **【**to a board of review consisting of  
6 the commissioner as chairman, a member of the State Board of  
7 Education to be appointed by the president thereof, the State  
8 Treasurer or his designee and the Director of the Division of Local  
9 Government Services in the Department of Community Affairs,**】**  
10 for a determination as to whether or not the petition should be  
11 granted, and if so, the amount of indebtedness, if any, to be  
12 assumed by the remaining and the new district, or by each of the  
13 constituent districts in the event of a dissolution, upon approval of  
14 the legal voters pursuant to section 9 of P.L.1975, c.360 (C.18A:13-  
15 59) at a special school election. The **【board of review】**  
16 commissioner shall consider the effect of the proposed withdrawal  
17 or dissolution upon the educational and financial condition of the  
18 withdrawing and the remaining districts, or upon each of the  
19 constituent districts in the event of a dissolution, and shall schedule  
20 and hold a public hearing on the petition upon the application of  
21 any interested party. In considering the effect of the proposed  
22 withdrawal or dissolution upon the educational and financial  
23 condition of the withdrawing and remaining districts, or upon each  
24 of the constituent districts in the event of a dissolution, the **【board**  
25 **of review】** commissioner shall:

26       a. Consent to the granting of the application; or

27       b. Oppose the same because, if the same be granted

28       1. An excessive debt burden will be imposed upon the  
29 remaining districts, or the withdrawing district, or upon any of the  
30 constituent districts in the event of a dissolution;

31       2. An efficient school system cannot be maintained in the  
32 remaining districts or the withdrawing district, or in any of the  
33 constituent districts in the event of a dissolution, without excessive  
34 costs;

35       3. Insufficient pupils will be left in the remaining districts, or  
36 in any of the constituent districts in the event of a dissolution, to  
37 maintain a properly graded school system; or

38       4. Any other reason, which it may deem to be sufficient; or

39       c. Request that if the petition be granted, the amount of debt  
40 which the remaining districts, or any of the constituent districts in  
41 the event of a dissolution, would be required to assume, calculated  
42 as hereinbefore provided, be reduced for the reason that--

43       1. Such amount of indebtedness, together with all other  
44 indebtedness of the municipalities or school districts would be  
45 excessive;

1       2. The amount of expenditure for debt service which would be  
2 required would be so great that sufficient funds would not be  
3 available for current expenses without excessive taxation; or

4       3. Such amount of indebtedness is inequitable in relation to the  
5 value of the property to be acquired by the remaining districts, or by  
6 any of the constituent districts in the event of a dissolution, and  
7 would materially impair the credit of the municipalities or such  
8 districts and the ability to pay punctually the principal and interest  
9 of their debt and to supply such essential educational facilities and  
10 public improvements and services as might reasonably be  
11 anticipated would be required of them.

12       The **【board of review】** commissioner shall make **【its】** findings  
13 and render a determination **【**, by the recorded vote of at least three  
14 of the four members of the board,**】** within 60 days of the receipt of  
15 the petition and answers.

16 (cf: P.L.1993, c.255, s.5)

17

18       5. Section 11 of P.L.1975, c.360 (C.18A:13-61) is amended to  
19 read as follows:

20       11. The withdrawing district and the remaining districts, or each  
21 constituent district in the event of a dissolution, shall take title to  
22 and control of all school grounds and buildings, and the furnishings  
23 and equipment therein, other than those which had been rotated or  
24 shared among the regional schools, situated in their respective  
25 districts on the effective date of withdrawal or dissolution as  
26 established by the commissioner. The county superintendent shall  
27 allot a fair proportion of the shared or rotated furnishings and  
28 equipment to the withdrawing district or to each of the constituent  
29 districts in the event of a dissolution.

30       Upon the assumption of title, each board shall also assume such  
31 amount of the indebtedness of the original regional school district  
32 as shall have been determined by the **【board of review】**  
33 commissioner. In the event of a withdrawal, the withdrawing  
34 district shall pay to the regional board of education, at least five  
35 days before it becomes due, the amount of the principal and interest  
36 of the assumed indebtedness; such principal and interest shall be  
37 paid by the regional board, together with such amount due on its  
38 assumed indebtedness, at and when it becomes due and payable. In  
39 the event of a dissolution, the county superintendent and **【board of**  
40 **review】** commissioner, in determining the amount of indebtedness  
41 to be assumed by each constituent district, shall give due regard to  
42 the value of school buildings and grounds being conveyed to the  
43 constituent district in which those buildings and grounds are  
44 located.

45 (cf: P.L.1993, c.255, s.10)

1       6. Section 6 of P.L.1989, c.90 (C.18A:13-71) is amended to  
2 read as follows:

3       6. **【**Within 15 days after the filing of the answers to the  
4 petition, **the】** The Commissioner of Education shall **【submit】**  
5 review the petition and answers **【**to a board of review consisting of  
6 the commissioner, as chairman, the State Treasurer or his designee  
7 and the Director of the Division of Local Government Services in  
8 the Department of Community Affairs,**】** for a determination as to  
9 whether or not the petition should be granted, and if so, the amount  
10 of indebtedness, if any, to be assumed by the withdrawing  
11 municipality and the all purpose regional district upon approval of  
12 the legal voters of the withdrawing municipality and the remaining  
13 constituent municipalities at a special school election. The **【**board  
14 of review**】** commissioner shall consider the effect of the proposed  
15 withdrawal upon the educational and financial condition of the  
16 withdrawing municipality and the all purpose regional district and  
17 shall schedule and hold a public hearing on the petition upon the  
18 application of any interested party. In considering the effect of the  
19 proposed withdrawal upon the educational and financial condition  
20 of the withdrawing and remaining municipalities , the **【**board of  
21 review**】** commissioner shall:

22       a. Consent to the granting of the application;

23       b. Oppose the granting of the application because, if it is  
24 granted:

25           (1) An excessive debt burden will be imposed upon the  
26 withdrawing municipality and regional district;

27           (2) An efficient school system cannot be maintained in the all  
28 purpose regional district or the withdrawing municipality without  
29 excessive costs;

30           (3) Insufficient pupils will be left in the all purpose regional  
31 district to maintain a properly graded school system; or

32           (4) Any other reason, which it may deem to be sufficient; or

33       c. Request that if the petition is granted, the amount of debt  
34 which the regional district would be required to assume, calculated  
35 as hereinbefore provided, be reduced for the reason that:

36           (1) The amount of indebtedness, together with all other  
37 indebtedness of the constituent municipalities of the all purpose  
38 regional district would be excessive;

39           (2) The amount of expenditure for debt service which would be  
40 required would be so great that sufficient funds would not be  
41 available for current expenses without excessive taxation; or

42           (3) The amount of indebtedness is inequitable in relation to the  
43 value of the property to be acquired by the all purpose regional  
44 district and would materially impair the credit of the constituent  
45 municipalities of the district, and the ability to pay punctually the  
46 principal and interest of their debt and so supply the essential

1 educational facilities and public improvements and services that  
2 might reasonably be anticipated would be required of them.

3 The **【board of review】** commissioner shall make **【its】** findings  
4 and render a determination **【**, by the recorded vote of at least two of  
5 the three members of the board,**】** within 60 days of the receipt of  
6 the petition and answers.

7 (cf: P.L.1989, c.90, s.6)

8

9 7. Section 12 of P.L.1989, c.90 (C.18A:13-77) is amended to  
10 read as follows:

11 12. The new district and the all purpose regional district shall  
12 take title to and control of all school grounds and buildings, and the  
13 furnishings and equipment therein, other than those which had been  
14 rotated or shared among the regional schools, situated in their  
15 respective districts on the effective date of withdrawal as  
16 established by the commissioner. The county superintendent shall  
17 allot a fair proportion of the shared or rotated furnishings and  
18 equipment to the new district.

19 Upon the assumption of title, each board shall also assume the  
20 amount of the indebtedness of the original all purpose regional  
21 district as determined by the **【board of review】** commissioner. The  
22 new district shall pay to the regional board of education, at least  
23 five days before it becomes due, the amount of the principal and  
24 interest of the assumed indebtedness. The principal and interest  
25 shall be paid by the regional board, together with the amount due on  
26 its assumed indebtedness, as and when it becomes due and payable.

27 (cf: P.L.1989, c.90, s.12)

28

29 8. Section 1 of P.L.1964, c.81 (C.39:10A-1) is amended to read  
30 as follows:

31 1. a. When the State or any county, county park commission,  
32 municipality or any authority created by any thereof, hereinafter  
33 referred to as a "public agency," shall have taken possession of a  
34 motor vehicle found abandoned, such taking of possession shall be  
35 reported immediately to

36 (1) The Chief Administrator of the Motor Vehicle Commission  
37 on a form prescribed by the administrator, for verification of  
38 ownership and

39 (2) The National Insurance Crime Bureau.

40 (3) Upon receipt of verification of ownership of the vehicle  
41 from the administrator, the public agency shall within three  
42 business days provide notice of possession of the vehicle to the  
43 owner of record and the holder of any security interest filed with the  
44 administrator by telephone, mail, facsimile or electronically. The  
45 public agency may assess the person claiming the vehicle, be it the  
46 owner of record or the holder of any security interest, for the actual  
47 costs of providing the notice required under this paragraph.

1 (4) The public agency shall also within three business days  
2 notify the person storing the abandoned motor vehicle. The notice  
3 shall be given in the same manner as in the case of notification of  
4 the owner of record and the security interest holder and shall  
5 include the name and address of the owner of record and the holder  
6 of any security interest in the stored motor vehicle.

7 (5) Upon receipt of the notice required by paragraph (4) of this  
8 subsection, the person storing the abandoned motor vehicle shall  
9 provide notice to the owner of record and to any security interest  
10 holder.

11 (a) The notice shall be by first class mail, with a certificate of  
12 mailing, and shall include a schedule of the costs imposed for  
13 storing the motor vehicle and instructions explaining how the owner  
14 of record or the security interest holder may claim the stored motor  
15 vehicle.

16 (b) Except as provided in subparagraph (c) of this paragraph, if  
17 the person storing the motor vehicle fails to provide this notice to  
18 the owner of record and to the security interest holder within 30  
19 days of the date on which the storer of the vehicle received the  
20 notice required under paragraph (4) from the public agency, the  
21 maximum amount that person may charge the owner of record or  
22 the security interest holder for storing that motor vehicle shall be  
23 \$750, provided that the owner of record or security interest holder  
24 submits a proper claim for the vehicle not later than the 30th day  
25 following the date the notice is delivered from the public agency to  
26 the person storing the motor vehicle.

27 (c) When a vehicle is abandoned due to the death or  
28 incapacitation of the driver or any passenger, the person storing the  
29 vehicle shall charge the owner of record or the security interest  
30 holder no more than \$100 for the first 72 hours after the vehicle is  
31 placed on the premises.

32 (d) If the owner of record or security interest holder fails to  
33 submit a proper claim for the vehicle on or before that 30th day, the  
34 person storing the motor vehicle may charge the security interest  
35 holder reasonable costs for the removal and storage of the motor  
36 vehicle. If the notice is properly provided by the person storing the  
37 motor vehicle, that person may charge the owner of record or the  
38 security interest holder reasonable costs for the removal and storage  
39 of the motor vehicle from the date the person removed and stored  
40 the motor vehicle.

41 (e) The public agency may assess the person storing the  
42 abandoned motor vehicle, and the person storing the abandoned  
43 motor vehicle may assess the security interest holder, for the actual  
44 costs of providing the notices required under paragraphs (4) and (5)  
45 of this subsection.

46 b. When such motor vehicle which has been ascertained not to  
47 be stolen and to be one which can be certified for a junk title  
48 certificate under section 3 of P.L.1964, c.81 (C.39:10A-3) shall

1 have remained unclaimed by the owner or other person having a  
2 legal right thereto for a period of 15 business days, even if at that  
3 time the owner has not been identified as a result of efforts to make  
4 identification by the public agency or the Motor Vehicle  
5 Commission, the same may be sold at auction in a public place. If  
6 the certified motor vehicle is sold at auction prior to identification  
7 of the owner, the public agency shall document the condition of the  
8 motor vehicle in writing and with photographs prior to the sale;  
9 document the amount obtained from the sale of the motor vehicle;  
10 and notify the owner, if his name and address are identified after the  
11 sale, of the actions taken by the public agency to dispose of the  
12 motor vehicle.

13 c. When a motor vehicle which cannot be certified for a junk  
14 title certificate under section 3 of P.L.1964, c.81 (C.39:10A-3)  
15 remains unclaimed by the owner or other person having a legal right  
16 thereto for a period of 20 business days, the motor vehicle may be  
17 sold at auction in a public place, but shall be sold no later than 90  
18 business days after the public agency takes possession of the  
19 vehicle **】, except that a waiver of the 90-day limit may be obtained**  
20 **for good cause from the Division of Local Government Services in**  
21 **the Department of Community Affairs】.**

22 d. The public agency shall give notice of a sale conducted  
23 pursuant to subsection b. or c. of this section, by certified mail, to  
24 the owner, if his name and address be known and to the holder of  
25 any security interest filed with the administrator, and by publication  
26 in a form to be prescribed by the administrator by one insertion, at  
27 least five days before the date of the sale, in one or more  
28 newspapers published in this State and circulating in the  
29 municipality in which such motor vehicle is held.

30 (cf: P.L.2008, c.107, s.2)

31

32 9. Section 2 of P.L.1998, c.115 (C.40:56-71.2) is amended to  
33 read as follows:

34 2. With the exception of a municipality in which an urban  
35 enterprise zone has been designated, any municipality which has  
36 adopted or adopts an ordinance authorizing the establishment of a  
37 special improvement district pursuant to section 7 of P.L.1972,  
38 c.134 (C.40:56-71) may, by ordinance, designate all or any portion  
39 of that district which contains primarily businesses providing retail  
40 goods and services as a "downtown business improvement zone."

41 **【Within 10 business days of the adoption of an ordinance**  
42 **pursuant to this section, the municipal clerk shall forward a copy of**  
43 **the ordinance to the Director of the Division of Local Government**  
44 **Services in the Department of Community Affairs.】**

45 (cf: P.L.1998, c.115, s.2)

46

47 10. Section 22 of P.L.1984, c.151 (C.40:56-88) is amended to  
48 read as follows:

1       22. The district management corporation shall cause an annual  
2 audit of its books, accounts and financial transactions to be made  
3 and filed with the governing body of the municipality, and for that  
4 purpose the corporation shall employ a certified public accountant  
5 of New Jersey. The annual audit shall be completed and filed with  
6 the governing body within four months after the close of the fiscal  
7 year of the corporation **】, and a certified duplicate copy of the audit**  
8 **shall be filed with the Director of the Division of Local Government**  
9 **Services in the Department of Community Affairs within five days**  
10 **of the filing of the audit with the governing body of the**  
11 **municipality】.**

12 (cf: P.L.1984, c.151, s.22)

13

14       11. Section 3 of P.L.1981, c.547 (C.40:68A-43.1) is amended to  
15 read as follows:

16       3. In accordance with rules and regulations which the Local  
17 Finance Board is hereby authorized to adopt, municipal port  
18 authorities created pursuant to P.L.1960, c.192 (C.40:68A-29 et  
19 seq.) are subject to the following provisions:

20       (a) Every authority shall be required to submit an annual budget  
21 to the **【Local Finance Board】** Director of the Division of Local  
22 Government Services in the Department of Community Affairs for  
23 approval.

24       (b) The issuance of any obligations of an authority, agreements  
25 regarding municipal guaranties of authority bonds, financing  
26 agreements entered into by an authority, and all leases, sales or  
27 dispositions of real property made by an authority shall be subject  
28 to the approval of the Local Finance Board.

29 (cf: P.L.1981, c.547, s.3)

30

31       12. N.J.S.40A:2-22 is amended to read as follows:

32       40A:2-22. The governing body of the local unit shall determine  
33 the period of usefulness of any purpose according to its reasonable  
34 life computed from the date of the bonds, which period shall not be  
35 greater than the following:

36       a. Buildings and structures.

37       1. Bridges, including retaining walls and approaches, or  
38 permanent structures of brick, stone, concrete or metal, or similar  
39 durable construction, 30 years.

40       2. Buildings, including the original furnishings and equipment  
41 therefor:

42       Class A: A building, of which all walls, floors, partitions, stairs  
43 and roof are wholly of incombustible material, except the window  
44 frames, doors, top flooring and wooden handrails on the stairs, 40  
45 years;

46       Class B: A building, the outer walls of which are wholly of  
47 incombustible material, except the window frames and doors, 30  
48 years;

- 1 Class C: A building which does not meet the requirements of  
2 Class A or Class B, 20 years.
- 3 3. Buildings or structures acquired substantially reconstructed  
4 or additions thereto, one-half the period fixed in this subsection for  
5 such buildings or structures.
- 6 4. Additional furnishings, five years.
- 7 b. Marine improvements.
- 8 1. Harbor improvements, docks or marine terminals, 40 years.
- 9 2. Dikes, bulkheads, jetties or similar devices of stone,  
10 concrete or metal, 15 years; of wood or partly of wood, 10 years.
- 11 c. Additional equipment and machinery.
- 12 1. Additional or replacement equipment and machinery, 15  
13 years.
- 14 2. Voting machines, 15 years.
- 15 3. Information technology and telecommunications equipment,  
16 7 years, except that for items with a unit cost of less than \$5,000, 5  
17 years.
- 18 d. Real property.
- 19 1. Acquisition for any public purpose of lands or riparian  
20 rights, or both, and the original dredging, grading, draining or  
21 planting thereof, 40 years.
- 22 2. Improvement of airport, cemetery, golf course, park,  
23 playground, 15 years.
- 24 3. Stadia of concrete or other incombustible materials, 20  
25 years.
- 26 e. Streets or thoroughfares.
- 27 1. Elimination of grade crossings, 35 years.
- 28 2. Streets or roads:
- 29 Class A: Rigid pavement. A pavement of not less than eight  
30 inches of cement concrete or a six-inch cement concrete base with  
31 not less than three-inch bituminous concrete surface course, or  
32 equivalent wearing surface, 20 years.
- 33 Flexible pavement. A pavement not less than 10 inches in depth  
34 consisting of five-inch macadam base, three-inch modified  
35 penetration macadam and three-inch bituminous concrete surface  
36 course or other pavements of equivalent strength, in accordance  
37 with the findings of the American Association of State Highway  
38 Officials (AASHO) Road Test, 20 years.
- 39 Class B: Mixed surface-treated road. An eight-inch surface of  
40 gravel, stone or other selected material under partial control mixed  
41 with cement or lime and fly ash, six inches in compacted thickness  
42 with bituminous surface treatment and cover, 10 years.
- 43 Bituminous penetration road. A five-inch gravel or stone base  
44 course and a three-inch course bound with a bituminous or  
45 equivalent binder, 10 years.
- 46 Class C: Mixed bituminous road. An eight-inch surface of  
47 gravel, stone, or other selected material under partial control mixed

1 with bituminous material one inch or more in compacted thickness,  
2 five years.

3 Penetration macadam road. A road of sand, gravel or water-  
4 bound macadam, or surfacing with penetration macadam, five years.

5 3. Sidewalks, curbs and gutters of stone, concrete or brick, 10  
6 years.

7 The period of usefulness in this subsection shall apply to  
8 construction and reconstruction of streets and thoroughfares.

9 f. Utilities and municipal systems.

10 1. Sewerage system, whether sanitary or storm water, water  
11 supply or distribution system, 40 years.

12 2. Electric light, power or gas systems, garbage, refuse or ashes  
13 incinerator or disposal plant, 25 years.

14 3. Communication and signal systems, 10 years.

15 4. House connections to publicly-owned gas, water or sewerage  
16 systems from the service main in the street to the curb or property  
17 lines where not part of original installation, five years.

18 g. Vehicles and apparatus.

19 1. Fire engines, apparatus and equipment, when purchased  
20 new, but not fire equipment purchased separately, 10 years.

21 2. Automotive vehicles, including original apparatus and  
22 equipment **[(other than passenger cars and station wagons)]**, when  
23 purchased new, five years.

24 3. Major repairs, reconditioning or overhaul of fire engines and  
25 apparatus, ambulances, rescue vehicles, and similar public safety  
26 vehicles **[(other than passenger cars and station wagons)]** which  
27 may reasonably be expected to extend for at least five years the  
28 period of usefulness thereof, five years.

29 h. The closure of a sanitary landfill facility utilized, owned or  
30 operated by a county or municipality, 15 years; provided that the  
31 closure has been approved by the Board of Public Utilities and the  
32 Department of Environmental Protection. For the purposes of this  
33 subsection "closure" means all activities associated with the design,  
34 purchase or construction of all measures required by the  
35 Department of Environmental Protection, pursuant to law, in order  
36 to prevent, minimize or monitor pollution or health hazards  
37 resulting from sanitary landfill facilities subsequent to the  
38 termination of operations at any portion thereof, including, but not  
39 necessarily limited to, the costs of the placement of earthen or  
40 vegetative cover, and the installation of methane gas vents or  
41 monitors and leachate monitoring wells or collection systems at the  
42 site of any sanitary landfill facility.

43 i. (Deleted by amendment, P.L.2007, c.62.)

44 j. The prefunding of a claims account for environmental  
45 liability claims by an environmental impairment liability insurance  
46 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.

47 (cf: P.L.2007, c.62, s.17)

1 13. N.J.S.40A:2-26 is amended to read as follows:

2 40A:2-26. Maturities of all bonds shall be as determined by  
3 bond ordinance or by subsequent resolution and within the  
4 following limitations:

5 a. All bonds shall mature within the period or average period  
6 of usefulness determined in the bond ordinance.

7 b. All bonds shall mature in annual installments, the first of  
8 which shall be payable not more than one year from the date of the  
9 bonds. No annual installment shall exceed by more than 100% the  
10 amount of the smallest prior installment.

11 c. The first installment of bonds to finance a municipal public  
12 utility may be made payable not later than the end of the second  
13 year's operation, computed from the estimated date of completion,  
14 as fixed in the project report submitted pursuant to this chapter.

15 d. Bonds to finance that part of the cost of a local improvement  
16 which is to be assessed on property shall mature in annual  
17 installments not exceeding in number the number of annual  
18 installments or average thereof fixed in the bond ordinance for the  
19 payment of special assessments. The first annual installment of  
20 such bonds shall be payable not more than two years from the date  
21 of the bonds, and no annual installment shall exceed the amount of  
22 the smallest prior installment.

23 e. A governing body which has concluded that the limitations  
24 as to maturities or amounts of annual installments will adversely  
25 affect the financial position of the local unit, may make written  
26 application to the **【local government board】** Local Finance Board  
27 setting forth its conclusion and the reasons therefor and the desired  
28 maturities or the amounts of annual installments for bonds about to  
29 be issued. If the **【local government board】** Local Finance Board  
30 finds such conclusion to be well founded, it may, by order, fix the  
31 maturities or amounts of annual installments of such bonds as  
32 desired by the local unit, or fix any such other maturities or  
33 amounts of annual installments which the circumstances warrant.  
34 Application to the Local Finance Board shall not be required if the  
35 maturities or the amounts of annual installments have been  
36 determined by the "New Jersey Environmental Infrastructure  
37 Trust," created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-  
38 4), for debts issued by the trust.

39 f. The governing body, by resolution, may provide for a single  
40 and combined issue of bonds not exceeding the aggregate amount of  
41 bonds authorized by two or more bond ordinances. The bonds of  
42 such issue shall mature within the average period of usefulness  
43 which shall be determined in said resolution, taking into  
44 consideration the respective amount of bonds authorized by each of  
45 the bond ordinances and the period or average period of usefulness  
46 therein determined. The provisions of this chapter applicable to the  
47 sale and issuance of a single issue of bonds shall apply to the sale  
48 and issuance of such combined issue of bonds.

1 g. The governing body, by resolution, may allow the  
2 adjustment of, or otherwise delegate to a finance officer the  
3 authority to adjust, the maturity schedule of the bonds, up to 24  
4 hours prior to the time advertised for the receipt of bids and within  
5 24 hours after the award of bids; provided that no maturity schedule  
6 adjustment shall exceed 10% of the principal for any maturity with  
7 the aggregate adjustment to maturity not to exceed 10% of the  
8 principal for the overall issue. When an adjustment has been made  
9 to a maturity schedule previously approved by the **【local finance**  
10 **board】** Local Finance Board, a copy of the final maturity schedule  
11 which meets or complies with the limitations in this subsection shall  
12 be filed with the board within 30 days of the sale and shall be  
13 conclusively deemed to have been approved by the board.  
14 (cf: P.L.2003, c.15, s.3)

15  
16 14. Section 4 of P.L.1976, c.38 (C.40A:3-4) is amended to read  
17 as follows:

18 4. a. Bonds issued by any municipality pursuant to provisions  
19 of this act shall be "qualified bonds" and shall be entitled to the  
20 benefit of the provisions of this act.

21 b. Whenever the governing body of a municipality determines,  
22 by passage of a bond ordinance upon first reading, to issue bonds  
23 for any lawful purpose, it may file an application and a certified  
24 copy of the ordinance as passed on first reading with the **【local**  
25 **finance board】** Local Finance Board to qualify the bonds pursuant  
26 to the provisions of this act. Upon receipt of any such application,  
27 the **【local finance board】** Local Finance Board shall cause an  
28 investigation to be made, taking into consideration such factors as  
29 the need for the facilities to be financed from the proceeds of such  
30 proposed qualified bonds, the ability of the municipality to supply  
31 other essential public improvements and services and during the  
32 ensuing 10 years to pay punctually the principal and interest on its  
33 debts, the reasonableness of the amounts to be expended for each of  
34 the purposes or improvements to be financed pursuant to such  
35 bonds, and such other factors as the **【local finance board】** Local  
36 Finance Board may deem necessary.

37 c. If such investigation shows to the satisfaction of the **【local**  
38 **finance board】** Local Finance Board that such municipality should  
39 be entitled to issue qualified bonds pursuant to the provisions of this  
40 act, the **【local finance board】** Local Finance Board may by  
41 resolution determine that such municipality is entitled to issue  
42 qualified bonds. In considering any ordinance submitted to it and  
43 before endorsing its consent thereon, the **【local finance board】**  
44 Local Finance Board may require the governing body of any  
45 municipality to adopt resolutions restricting or limiting any future  
46 proceedings with respect to the authorization of bonds or other  
47 matters deemed by the **【local finance board】** Local Finance Board

1 to affect any estimate made or to be made by it in accordance with  
2 subsection b. hereof of this section. Every resolution so adopted  
3 shall constitute a valid and binding obligation of such municipality  
4 running to and enforceable by, and releasable by the local finance  
5 board Local Finance Board.

6 d. Within 60 days after the submission to it of an application  
7 made in accordance with subsection b. of this section, the local  
8 finance board Local Finance Board shall cause its consent to be  
9 endorsed upon the ordinance authorizing the issuance of qualified  
10 bonds, if it shall be satisfied and record by resolution that the  
11 municipality is entitled to issue qualified bonds. If the local  
12 finance board Local Finance Board is not so satisfied, it shall  
13 cause its disapproval to be endorsed upon such ordinance within  
14 said period of 60 days.

15 e. If the governing body of a municipality shall determine by  
16 resolution that a maturity schedule for its qualified bonds, other  
17 than the maturity schedule approved by the local finance board  
18 Local Finance Board pursuant to subsection c. of this section **[3]**, is  
19 in the best interest of said municipality, it may make application to  
20 the local finance board Local Finance Board setting forth such  
21 belief and the grounds therefor and requesting approval of a  
22 schedule of maturities for such qualified bonds set forth in the  
23 application. Within 60 days after submission to the local finance  
24 board Local Finance Board of such application, the local finance  
25 board Local Finance Board shall cause its approval to be endorsed  
26 thereon if it shall be satisfied, and shall record by resolution its  
27 findings, that the belief set forth in such application is well founded  
28 and that the issuance of the bonds pursuant to the revised maturity  
29 schedule in such application would not materially impair the credit  
30 of the municipality or substantially reduce its ability, during the  
31 ensuing 10 years, to pay punctually the principal of and interest on  
32 its debts and supply essential public improvements and services. If  
33 the local finance board Local Finance Board is not so satisfied, it  
34 shall cause its disapproval to be endorsed on such copy within said  
35 period of 60 days.

36 f. A municipality that has issued qualified bonds shall not be  
37 required to obtain the approval of the Local Finance Board prior to  
38 issuing any other bonds solely by reason of having previously  
39 issued qualified bonds, unless such approval is otherwise required  
40 by law.

41 (cf: P.L.1991, c.180, s.3)

42

43 15. N.J.S.40A:4-8 is amended to read as follows:

44 40A:4-8. The public hearing shall be held at the time and place  
45 specified in the advertisement thereof, but may be adjourned from  
46 time to time until the hearing is closed.

1 The budget shall be read, at the public hearing in full, or it may  
2 be read by its title, if

3 1. At least one week prior to the date of the hearing, a complete  
4 copy of the approved budget,

5 **【a. shall be made available for public inspection, in the case of a**  
6 **county budget, in each free public library, if any, in each**  
7 **municipality of the county and in the free county libraries or**  
8 **regional libraries of the county or, in the case of a municipal**  
9 **budget, in the free public library, if any, of the municipality and in**  
10 **the free county libraries or regional libraries located in the**  
11 **municipality or, if no county libraries or regional libraries are**  
12 **located in the municipality, the county or regional library of the**  
13 **county in which the municipality is located, and the public officer**  
14 **delegated the responsibility for delivering copies of the approved**  
15 **budget to such libraries shall forward to the governing body an**  
16 **attestation that each such delivery was made, and**

17 **b. is made available to each person requesting the same, during**  
18 **said week and during the public hearing】 shall be made available**  
19 **for public inspection for the duration of that week and at the public**  
20 **hearing, and**

21 2. The governing body shall, by resolution passed by not less  
22 than a majority of the full membership, determine that the budget  
23 shall be read by its title and declare that the conditions set forth in  
24 **【subsections 1.a. and 1.b.】 subsection 1. of this section have been**  
25 **met.**

26 After closing the hearing, the governing body may adopt the  
27 budget, by title without amendments, or may approve amendments  
28 as provided in N.J.S.40A:4-9 before adoption.

29 (cf: P.L.1995, c.259, s.9)

30

31 16. N.J.S.40A:4-10 is amended to read as follows:

32 40A:4-10. No budget or amendment thereof shall be adopted  
33 unless the director shall have previously certified his approval  
34 thereof. Final adoption shall be by resolution adopted by a majority  
35 of the full membership of the governing body, and may be by title  
36 where the procedures required by N.J.S.40A:4-8 and N.J.S.40A:4-9  
37 or section 12 of P.L.1995, c.259 (C.40A:4-6.1), as applicable, have  
38 been followed.

39 The budget shall be adopted in the case of a county not later than  
40 February 25, and in the case of a municipality not later than March  
41 20 of the calendar fiscal year or September 20 of the State fiscal  
42 year, except that the governing body may adopt the budget at any  
43 time within 10 days after the director shall have certified his  
44 approval thereof and returned the same, if such certification shall be  
45 later than the date of the advertised hearing.

46 If, in the case of a municipality which operates on the State fiscal  
47 year, the governing body fails to adopt the budget within the  
48 permitted time, the chief financial officer of the local unit shall so

1 notify the director the next working day after the expiration of the  
2 permitted time.

3 Copies of the budget, as adopted, in such form and in such  
4 quantity as determined by the Local Finance Board, shall be  
5 transmitted to the director **],** and made available in print for public  
6 inspection at the local library, **]** within three days after adoption.

7 Upon adoption, the budget shall constitute an appropriation for  
8 the purposes stated therein and an authorization of the amount to be  
9 raised by taxation for the purposes of the local unit.

10 The adopted budget shall be provided for public inspection on  
11 the local unit's website, if one exists, or, if one does not exist, the  
12 budget shall be provided for public inspection on the website of the  
13 Department of Community Affairs, and made available online and  
14 in print as required by this section in a "user-friendly" summary  
15 format using plain language. In addition to the current year adopted  
16 budget, the local unit's adopted budgets of the immediately  
17 preceding three budget years also shall be provided for public  
18 inspection on the local unit's website, if one exists, or, if one does  
19 not exist, those budgets also shall be provided for public inspection  
20 on the website of the Department of Community Affairs. Any  
21 adopted budget posted online pursuant to this section shall remain  
22 posted online for the duration of the local budget year. The Local  
23 Finance Board shall promulgate a "user-friendly," plain language  
24 summary format for use by local units for this purpose pursuant to  
25 section 39 of P.L.2007, c.63 (C.40A:5-48).

26 (cf: P.L.2011, c.7, s.1)

27

28 17. Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is amended to  
29 read as follows:

30 3. In the preparation of its budget a municipality shall limit any  
31 increase in said budget to 2.5% or the cost-of-living adjustment,  
32 whichever is less, over the previous year's final appropriations  
33 subject to the following exceptions:

34 a. (Deleted by amendment, P.L.1990, c.89.)

35 b. Capital expenditures, including appropriations for current  
36 capital expenditures, whether in the capital improvement fund or as  
37 a component of a line item elsewhere in the budget, provided that  
38 any such current capital expenditure would be otherwise bondable  
39 under the requirements of N.J.S.40A:2-21 and **[40A:2-22]**  
40 N.J.S.40A:2-22;

41 c. (1) An increase based upon emergency temporary  
42 appropriations made pursuant to N.J.S.40A:4-20 to meet an urgent  
43 situation or event which immediately endangers the health, safety or  
44 property of the residents of the municipality, and over which the  
45 governing body had no control and for which it could not plan and  
46 emergency appropriations made pursuant to N.J.S.40A:4-46.  
47 Emergency temporary appropriations and emergency appropriations  
48 shall be approved by at least two-thirds of the governing body and

1 by the Director of the Division of Local Government Services, and  
2 shall not exceed in the aggregate 3% of the previous year's final  
3 current operating appropriations.

4 (2) (Deleted by amendment, P.L.1990, c.89.)

5 The approval procedure in this subsection shall not apply to  
6 appropriations adopted for a purpose referred to in subsection d. or  
7 j. **below** of this section;

8 d. All debt service, including that of a Type I school district;

9 e. Upon the approval of the Local Finance Board in the  
10 Division of Local Government Services, amounts required for  
11 funding a preceding year's deficit;

12 f. Amounts reserved for uncollected taxes;

13 g. (Deleted by amendment, P.L.1990, c.89.)

14 h. Expenditure of amounts derived from new or increased  
15 construction, housing, health or fire safety inspection or other  
16 service fees imposed by State law, rule or regulation or by local  
17 ordinance;

18 i. Any amount approved by any referendum;

19 j. Amounts required to be paid pursuant to (1) any contract  
20 with respect to use, service or provision of any project, facility or  
21 public improvement for water, sewerage, parking, senior citizen  
22 housing or any similar purpose, or payments on account of debt  
23 service therefor, between a municipality and any other municipality,  
24 county, school or other district, agency, authority, commission,  
25 instrumentality, public corporation, body corporate and politic or  
26 political subdivision of this State; (2) the provisions of article 9 of  
27 P.L.1968, c.404 (C.13:17-60 through **13:17-76**) C.13:17-76 by a  
28 constituent municipality to the intermunicipal account; (3) any lease  
29 of a facility owned by a county improvement authority when the  
30 lease payment represents the proportionate amount necessary to  
31 amortize the debt incurred by the authority in providing the facility  
32 which is leased, in whole or in part; and (4) any repayments under a  
33 loan agreement entered into in accordance with the provisions of  
34 section 5 of P.L.1992, c.89 (C.40:48-2.5b);

35 k. (Deleted by amendment, P.L.1987, c.74.)

36 l. Appropriations of federal, county, independent authority or  
37 State funds, or by grants from private parties or nonprofit  
38 organizations for a specific purpose, and amounts received or to be  
39 received from such sources in reimbursement for local  
40 expenditures. If a municipality provides matching funds in order to  
41 receive the federal, county, independent authority or State funds, or  
42 the grants from private parties or nonprofit organizations for a  
43 specific purpose, the amount of the match which is required by law  
44 or agreement to be provided by the municipality shall be excepted;

45 m. (Deleted by amendment, P.L.1987, c.74.)

46 n. (Deleted by amendment, P.L.1987, c.74.)

47 o. (Deleted by amendment, P.L.1990, c.89.)

48 p. (Deleted by amendment, P.L.1987, c.74.)

- 1 q. (Deleted by amendment, P.L.1990, c.89.)
- 2 r. Amounts expended to fund a free public library established  
3 pursuant to the provisions of R.S.40:54-1 through ~~40:54-29~~  
4 R.S.40:54-29, inclusive;
- 5 s. (Deleted by amendment, P.L.1990, c.89.)
- 6 t. Amounts expended in preparing and implementing a housing  
7 element and fair share plan pursuant to the provisions of P.L.1985,  
8 c.222 (C.52:27D-301 et al.) and any amounts received by a  
9 municipality under a regional contribution agreement pursuant to  
10 section 12 of ~~that act~~ P.L.1985, c.222 (C.52:27D-312);
- 11 u. (Deleted by amendment, P.L.2004, c.74.)
- 12 v. (Deleted by amendment, P.L.1990, c.89.)
- 13 w. (Deleted by amendment, P.L.2004, c.74.)
- 14 x. Amounts expended to aid privately owned libraries and  
15 reading rooms, pursuant to R.S.40:54-35;
- 16 y. (Deleted by amendment, P.L.1990, c.89.)
- 17 z. (Deleted by amendment, P.L.1990, c.89.)
- 18 aa. Extraordinary expenses, approved by the Local Finance  
19 Board, required for the implementation of an interlocal services  
20 agreement;
- 21 bb. Any expenditure mandated as a result of a natural disaster,  
22 civil disturbance or other emergency that is specifically authorized  
23 pursuant to a declaration of an emergency by the President of the  
24 United States or by the Governor;
- 25 cc. Expenditures for the cost of services mandated by any order  
26 of court, by any federal or State statute, or by administrative rule,  
27 directive, order, or other legally binding device issued by a State  
28 agency which has identified such cost as mandated expenditures on  
29 certification to the Local Finance Board by the State agency;
- 30 dd. Expenditures of amounts actually realized in the local  
31 budget year from the sale of municipal assets in extraordinary cases  
32 and with the permission of the Local Finance Board;
- 33 ee. Any local unit which is determined to be experiencing fiscal  
34 distress pursuant to the provisions of P.L.1987, c.75 (C.52:27D-  
35 118.24 et seq.), whether or not a local unit is an "eligible  
36 municipality" as defined in section 3 of P.L.1987, c.75 (C.52:27D-  
37 118.26), and which has available surplus pursuant to the spending  
38 limitations imposed by P.L.1976, c.68 (C.40A:4-45.1 et seq.), may  
39 appropriate and expend an amount of that surplus approved by the  
40 director and the Local Finance Board as an exception to the  
41 spending limitation; provided, however, that if the Local Finance  
42 Board has so approved appropriations and expenditures in amounts  
43 exceeding the spending limitations for a local unit in at least three  
44 consecutive years, the Local Finance Board may, upon granting  
45 such approval in the next subsequent year and finding it reasonable  
46 to not require future approvals under this exception, adjust the  
47 spending limitations applicable to a later increase in the local unit's  
48 budget to 2.5% or the cost-of-living adjustment, whichever is less,

1 over the amount approved to be appropriated and expended in that  
2 year. Any determination approving the appropriation and  
3 expenditure of surplus as an exception to the spending limitations  
4 shall be based upon:

5 1) the local unit's revenue needs for the current local budget  
6 year and its revenue raising capacity;

7 2) the intended actions of the governing body of the local unit  
8 to meet the local unit's revenue needs;

9 3) the intended actions of the governing body of the local unit  
10 to expand its revenue generating capacity for subsequent local  
11 budget years;

12 4) the local unit's ability to demonstrate the source and  
13 existence of sufficient surplus as would be prudent to appropriate as  
14 an exception to the spending limitations to meet the operating  
15 expenses for the local unit's current budget year; and

16 5) the impact of utilization of surplus upon succeeding budgets  
17 of the local unit;

18 ff. Newly authorized operating appropriations for the municipal  
19 court or violation's bureau when approved by the vicinage Presiding  
20 Judge of the Municipal Court after consultation with the mayor and  
21 governing body of the municipality;

22 gg. (Deleted by amendment, P.L.2004, c.74.)

23 hh. (Deleted by amendment, P.L.2004, c.74.)

24 ii. Subject to the approval of the Local Finance Board,  
25 expenditures related to the cost of conducting and implementing a  
26 total property tax levy sale pursuant to section 16 of P.L.1997, c.99  
27 (C.54:5-113.5);

28 jj. Amounts expended for a length of service award program  
29 pursuant to P.L.1997, c.388 (C.40A:14-183 et al.);

30 kk. Amounts expended to provide municipal services or  
31 reimbursement amounts to multifamily dwellings for the collection  
32 and disposal of solid waste generated by the residents of the  
33 multifamily dwellings. This subsection shall cease to be operative  
34 at the end of the first local budget year in which the municipality  
35 has fully phased in its reimbursement amount expenses;

36 ll. Amounts expended by a municipality under an interlocal  
37 services agreement entered into pursuant to the "Interlocal Services  
38 Act," P.L.1973, c.208 (C.40:8A-1 et al.) entered into after the  
39 effective date of P.L.2000, c.126 (C.52:13H-21 et al.). The  
40 governing body of the municipality that will receive the service  
41 may choose to allow the amount of projected annual savings to be  
42 added to the amount of final appropriations upon which its  
43 permissible expenditures are calculated pursuant to section 2 of  
44 P.L.1976, c.68 (C.40A:4-45.2);

45 mm. Amounts expended under a joint contract pursuant to the  
46 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1  
47 et seq.) entered into after the effective date of P.L.2000, c.126  
48 (C.52:13H-21 et al.). The governing body of each participating

1 municipality may choose to allow the amount of projected annual  
2 savings to be added to the amount of final appropriations upon  
3 which its permissible expenditures are calculated pursuant to  
4 section 2 of P.L.1976, c.68 (C.40A:4-45.2);

5 nn. (Deleted by amendment, P.L.2004, c.74.)

6 oo. Amounts appropriated in the first three years after the  
7 effective date of P.L.2003, c.92 (C.18A:7F-5b et al.) for liability  
8 insurance, workers' compensation insurance and employee group  
9 insurance;

10 pp. Amounts appropriated in the first three years after the  
11 effective date of P.L.2003, c.92 (C.18A:7F-5b et al.) for costs of  
12 domestic security preparedness and responses to incidents and  
13 threats to domestic security;

14 qq. Amounts required to be paid by a municipality pursuant to  
15 the provisions of section 4 of P.L.2007, c.311 (C.13:1E-96.5).

16 In the first full year when an existing appropriation or  
17 expenditure that is subject to budget limitations is made an  
18 exception to budget limitations, a municipality shall deduct from its  
19 final appropriations upon which its permissible expenditures are  
20 calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2),  
21 the amount which the municipality expended for that purpose  
22 during the last full budget year, or portion thereof, in which the  
23 purpose so excepted was funded from appropriations in the  
24 municipal budget.

25 In the first full year when an existing appropriation or  
26 expenditure that is not subject to budget limitations is made subject  
27 to budget limitations, a municipality shall add to its final  
28 appropriations upon which its permissible expenditures are  
29 calculated pursuant to section 2 of P.L.1976, c.68 (C.40A:4-45.2),  
30 the amount which the municipality expended for that purpose  
31 during the last full budget year, or portion thereof, in which the  
32 purpose so excepted was funded from appropriations in the  
33 municipal budget.

34 (cf: P.L.2007, c.311, s.17)

35  
36 18. Section 8 of P.L.1977, c.396 (C.40A:5-15.1) is amended to  
37 read as follows:

38 8. Securities which may be purchased by local units.

39 a. When authorized by a cash management plan approved  
40 pursuant to N.J.S.40A:5-14, any local unit may use moneys which  
41 may be in hand for the purchase of the following types of securities  
42 which, if suitable for registry, may be registered in the name of the  
43 local unit:

44 (1) Bonds or other obligations of the United States of America  
45 or obligations guaranteed by the United States of America;

46 (2) Government money market mutual funds;

47 (3) Any obligation that a federal agency or a federal  
48 instrumentality has issued in accordance with an act of Congress,

- 1 which security has a maturity date not greater than 397 days from  
2 the date of purchase, provided that such obligation bears a fixed rate  
3 of interest not dependent on any index or other external factor;
- 4 (4) Bonds or other obligations of the local unit or bonds or other  
5 obligations of school districts of which the local unit is a part or  
6 within which the school district is located;
- 7 (5) Bonds or other obligations, having a maturity date not more  
8 than 397 days from the date of purchase, approved by the Division  
9 of **Investment of** Local Government Services in the Department  
10 of **the Treasury** Community Affairs for investment by local units;
- 11 (6) Local government investment pools;
- 12 (7) Deposits with the State of New Jersey Cash Management  
13 Fund established pursuant to section 1 of P.L.1977, c.281  
14 (C.52:18A-90.4); or
- 15 (8) Agreements for the repurchase of fully collateralized  
16 securities, if:
- 17 (a) the underlying securities are permitted investments pursuant  
18 to paragraphs (1) and (3) of this subsection a.;
- 19 (b) the custody of collateral is transferred to a third party;
- 20 (c) the maturity of the agreement is not more than 30 days;
- 21 (d) the underlying securities are purchased through a public  
22 depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41);  
23 and
- 24 (e) a master repurchase agreement providing for the custody and  
25 security of collateral is executed.
- 26 b. Any investment instruments in which the security is not  
27 physically held by the local unit shall be covered by a third party  
28 custodial agreement which shall provide for the designation of such  
29 investments in the name of the local unit and prevent unauthorized  
30 use of such investments.
- 31 c. Purchase of investment securities shall be executed by the  
32 "delivery versus payment" method to ensure that securities are  
33 either received by the local unit or a third party custodian prior to or  
34 upon the release of the local unit's funds.
- 35 d. Any investments not purchased and redeemed directly from  
36 the issuer, government money market mutual fund, local  
37 government investment pool, or the State of New Jersey Cash  
38 Management Fund, shall be purchased and redeemed through the  
39 use of a national or State bank located within this State or through a  
40 broker-dealer which, at the time of purchase or redemption, has  
41 been registered continuously for a period of at least two years  
42 pursuant to section 9 of P.L.1967, c.93 (C.49:3-56) and has at least  
43 \$25 million in capital stock (or equivalent capitalization if not a  
44 corporation), surplus reserves for contingencies and undivided  
45 profits, or through a securities dealer who makes primary markets  
46 in U.S. Government securities and reports daily to the Federal  
47 Reserve Bank of New York its position in and borrowing on such  
48 U.S. Government securities.

- 1 e. For the purposes of this section:
- 2 (1) a "government money market mutual fund" means an  
3 investment company or investment trust:
- 4 (a) which is registered with the Securities and Exchange  
5 Commission under the "Investment Company Act of 1940," 15  
6 U.S.C. s.80a-1 et seq., and operated in accordance with 17 C.F.R.  
7 s.270.2a-7;
- 8 (b) the portfolio of which is limited to U.S. Government  
9 securities that meet the definition of an eligible security pursuant to  
10 17 C.F.R. s.270.2a-7 and repurchase agreements that are  
11 collateralized by such U.S. Government securities in which direct  
12 investment may be made pursuant to paragraphs (1) and (3) of  
13 subsection a. of this section; and
- 14 (c) which is rated by a nationally recognized statistical rating  
15 organization.
- 16 (2) a "local government investment pool" means an investment  
17 pool:
- 18 (a) which is managed in accordance with 17 C.F.R. s.270.2a-7;
- 19 (b) which is rated in the highest category by a nationally  
20 recognized statistical rating organization;
- 21 (c) which is limited to U.S. Government securities that meet the  
22 definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and  
23 repurchase agreements that are collateralized by such U.S.  
24 Government securities in which direct investment may be made  
25 pursuant to paragraphs (1) and (3) of subsection a. of this section;
- 26 (d) which is in compliance with rules adopted pursuant to the  
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
28 seq.) by the Local Finance Board of the Division of Local  
29 Government Services in the Department of Community Affairs,  
30 which rules shall provide for disclosure and reporting requirements,  
31 and other provisions deemed necessary by the board to provide for  
32 the safety, liquidity and yield of the investments;
- 33 (e) which does not permit investments in instruments that: are  
34 subject to high price volatility with changing market conditions;  
35 cannot reasonably be expected, at the time of interest rate  
36 adjustment, to have a market value that approximates their par  
37 value; or utilize an index that does not support a stable net asset  
38 value ; and
- 39 (f) which purchases and redeems investments directly from the  
40 issuer, government money market mutual fund, or the State of New  
41 Jersey Cash Management Fund, or through the use of a national or  
42 State bank located within this State, or through a broker-dealer  
43 which, at the time of purchase or redemption, has been registered  
44 continuously for a period of at least two years pursuant to section 9  
45 of P.L.1967, c.93 (C.49:3-56) and has at least \$25 million in capital  
46 stock (or equivalent capitalization if not a corporation), surplus  
47 reserves for contingencies and undivided profits, or through a  
48 securities dealer who makes primary markets in U.S. Government

1 securities and reports daily to the Federal Reserve Bank of New  
2 York its position in and borrowing on such U.S. Government  
3 securities.

4 f. Investments in, or deposits or purchases of financial  
5 instruments made pursuant to this section shall not be subject to the  
6 requirements of the "Local Public Contracts Law," P.L.1971, c.198  
7 (C.40A:11-1 et seq.).

8 (cf: P.L.1997, c.148, s.3)

9

10 19. Section 3 of P.L.1983, c.313 (C.40A:5A-3) is amended to  
11 read as follows:

12 3. As used in this act:

13 a. "Authority" means a body, public and corporate, created by  
14 one or more municipalities or counties pursuant to any law  
15 authorizing that creation, which law provides that the public body  
16 so created has at least the following powers:

17 (1) To adopt and use a corporate seal;

18 (2) To sue and be sued;

19 (3) To acquire and hold real or personal property for its  
20 purposes; and

21 (4) To provide for and secure the payment of its bonds or other  
22 obligations, or to provide for the assessment of a tax on real  
23 property within its district, or to impose charges for the use of its  
24 facilities or any combination thereof.

25 b. "Director" means the Director of the Division of Local  
26 Government Services in the Department of Community Affairs.

27 c. "Service contract" means an agreement of a local unit or  
28 units intended to provide security for an issue of obligations of an  
29 authority, including, but not limited to, a contract providing for  
30 payments by a local unit or units with respect to a project, facility,  
31 or public improvement of an authority or payments for debt service  
32 therefore, but not including such an agreement of a fire district with  
33 respect to a project, facility, or public improvement approved by the  
34 voters of the district pursuant to N.J.S.40A:14-86, which agreement  
35 shall be approved by either the Division of Fire Safety in the  
36 Department of Community Affairs or by ordinance of the governing  
37 body of the municipality which the fire district serves.

38 d. "Local Finance Board" means the Local Finance Board in  
39 the Division of Local Government Services in the Department of  
40 Community Affairs.

41 e. "Local unit or units" means a county or municipality which  
42 created or joined in the creation of an authority, or which proposes  
43 to create or join in the creation thereof, or which proposes to enter  
44 into a service contract with an authority.

45 f. "Project financing" means the financing by an authority of a  
46 public facility for the benefit of the inhabitants of a local unit or  
47 units and for which the financing costs will be paid, directly or  
48 indirectly, by those inhabitants and includes payment for the design

1 and plan for the public facility, but shall not include such financing  
2 by a fire district with respect to a project approved by the voters of  
3 the district pursuant to N.J.S.40A:14-86, which financing shall be  
4 approved by either the Division of Fire Safety in the Department of  
5 Community Affairs or by ordinance of the governing body of the  
6 municipality which the fire district serves.

7 g. "Bond resolution" means a bond resolution of an authority,  
8 or a trust indenture to be executed by an authority, or other similar  
9 proceeding or document.  
10 (cf: P.L.1992, c.79, s.52)

11  
12 20. Section 6 of P.L.1983, c.313 (C.40A:5A-6) is amended to  
13 read as follows:

14 6. Prior to the adoption of a bond resolution by an authority, or  
15 the adoption of an ordinance or resolution of a local unit or units  
16 authorizing a service contract that is part of a project financing, the  
17 proposed project financing shall be submitted to the Local Finance  
18 Board for its review. The Local Finance Board may adopt rules and  
19 regulations, pursuant to the "Administrative Procedure Act,"  
20 P.L.1968, c.410 (C.52:14B-1 et seq.), to permit project financing to  
21 proceed without such application and review if the project financing  
22 is a refunding that will result in savings. The Local Finance Board  
23 shall, in the course of its review, give consideration to:

24 a. The nature, purpose, and scope of the proposed project  
25 financing;

26 b. The engineering and feasibility studies prepared in  
27 connection therewith;

28 c. The terms and provisions of the proposed service contracts,  
29 bond resolutions and, in the instance of a negotiated offering, the  
30 proposed or maximum terms and conditions of sale;

31 d. An estimate of the proposed or maximum schedule of debt  
32 service payments required, and the impact thereof on the budget and  
33 financial condition of the authority and of the local unit;

34 e. The estimate of the annual cost of operating and maintaining  
35 the project as set forth in the engineering report or feasibility  
36 studies; and

37 f. The initial rate, rent, fee, or charge schedule proposed by the  
38 authority, or any other proposed method of raising the amounts  
39 required to finance the operations and payments of debt service on  
40 the obligations of the authority.

41 The Local Finance Board may examine the estimates,  
42 computations or calculations made in connection with the  
43 submission, may require the production of papers, documents,  
44 witnesses or information, may make or cause to be made an audit or  
45 investigation and may take any other action which it may deem  
46 necessary to its review of the submission.

47 (cf: P.L.1987, c.319, s.2)

1       21. Section 10 of P.L.1983, c.313 (C.40A:5A-10) is amended to  
2 read as follows:

3       10. a. Each authority shall submit a budget for each fiscal year  
4 in which it has total budgeted operating appropriations in excess of  
5 \$500,000 to the director prior to its adoption thereof ; provided,  
6 however, that each fire district, notwithstanding the amount of its  
7 total budgeted operations, shall submit a budget for each fiscal year  
8 to the director prior to its adoption thereof. The Local Finance  
9 Board may adopt rules and regulations, pursuant to the  
10 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
11 seq.), to lower the threshold amount requiring budget submittal  
12 pursuant to this section. An authority that has any outstanding debt  
13 obligations or an unrestricted net deficit in a fiscal year shall submit  
14 a budget for that fiscal year to the director prior to its adoption  
15 thereof, notwithstanding its total budgeted operating appropriations  
16 for the fiscal year. The budget shall comply with the terms and  
17 provisions of any bond resolutions, and shall be in such form and  
18 detail as to items of revenue, expenditure and other content as shall  
19 be required by law or by rules and regulations of the Local Finance  
20 Board.

21       b. The Local Finance Board shall prescribe by rule or  
22 regulation the procedure for the adoption of budgets by authorities.  
23 The rules and regulations may include or be similar to any  
24 provisions of the "Local Budget Law" (N.J.S.40A:4-1 et seq.) which  
25 the Local Finance Board shall deem to be practicable or necessary,  
26 and may further include any other provisions and requirements  
27 which the Local Finance Board shall deem appropriate or necessary.  
28 The rules and regulations shall provide for approval or disapproval  
29 of a budget within 45 days of the director's receipt thereof.

30       c. The Local Finance Board shall also prescribe by rule or  
31 regulation the procedures and requirements for execution of any  
32 budget after adoption, and for the administration of financial affairs  
33 of authorities. The rules and regulations may include, without  
34 limitation, any provisions of the "Local Budget Law" (N.J.S.40A:4-  
35 1 et seq.), and the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et  
36 seq.), which the Local Finance Board shall deem to be practicable  
37 and necessary.

38       d. Notwithstanding the provisions of subsection a. of this  
39 section and N.J.S.40A:5A-11, the Local Finance Board is  
40 authorized to adopt rules and regulations, pursuant to the  
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
42 seq.), to exempt certain authorities from the requirement that the  
43 director approve their annual budgets and to provide instead for a  
44 system of local examination and approval of such budgets by  
45 authority officials, provided that:

46       (1) the director finds that such authorities are fiscally sound and  
47 that their fiscal practices are conducted in accordance with law and  
48 sound administrative practice;

- 1       (2) the director shall examine the budgets of such authorities in  
2 accordance with the provisions of this section and N.J.S.40A:5A-  
3 11, at least every third year;
- 4       (3) the governing body and chief financial officer of each such  
5 authority shall each file a certification with the director stating that,  
6 with reference to the adopted budget of the authority, they have:
- 7       (a) examined the budget in the manner prescribed under this  
8 section and N.J.S.40A:5A-11, and determined that the budget  
9 complies with requirements set forth therein; and
- 10       (b) determined that the budget complies with all other provisions  
11 of law, including, but not limited to, the "Local Authorities Fiscal  
12 Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), and the  
13 regulations of the Local Finance Board;
- 14       (4) all budget documents required by law or the regulations  
15 adopted by the Local Finance Board shall be filed with the director  
16 on a timely basis;
- 17       (5) other criteria and responsibilities as established by the  
18 regulations adopted by the Local Finance Board are met.
- 19       The director shall act to require immediate compliance with the  
20 "Local Authorities Fiscal Control Law," P.L.1983, c.313  
21 (C.40A:5A-1 et seq.), if the director finds that any such exemption  
22 impairs the fiscal integrity or solvency of any such authority. Any  
23 appeal of a governing body's action in adopting an annual budget  
24 shall be made to the director.  
25 (cf: P.L.1987, c.319, s.5)

26  
27       22. Section 11 of P.L.1983, c.313 (C.40A:5A-11) is amended to  
28 read as follows:

29       11. No authority budget subject to the provisions of subsection  
30 a. of section 10 of P.L.1983, c.313 (C.40A:5A-10) shall be finally  
31 adopted until the director shall have approved same. In granting the  
32 approval, the director shall consider whether or not:

- 33       a. All estimates of revenue are reasonable, accurate and  
34 correctly stated;
- 35       b. Items of appropriation are properly set forth;
- 36       c. In itemization, form and content, the budget will permit the  
37 exercise of the comptroller function within the authority;
- 38       d. The schedule of rates, fees and charges then in effect will  
39 produce sufficient revenues, together with all other anticipated  
40 revenues, to satisfy all obligations to the holders of bonds of the  
41 authority, to meet operating expenses, capital outlays, debt service  
42 requirements, and to provide for such reserves, all as may be  
43 required by law, regulation or terms of contracts and agreements.

44       The director may require such documentation, records and other  
45 information, and undertake any audit or investigation, as he may  
46 deem necessary in connection with his review.

47       If the director finds that all requirements of law and the rules and  
48 regulations of the Local Finance Board have been met, he shall,

1 within 45 days of his receipt of the budget, approve it; otherwise he  
2 shall within that time refuse to approve it. The director, in refusing  
3 to approve the budget, shall not substitute his discretion with  
4 respect to the amount of an appropriation when that amount is not  
5 made mandatory by law or regulation.

6 Any decision of the director in the course of budget review under  
7 this section may be appealed to the Local Finance Board in the  
8 manner generally provided by law.

9 (cf: P.L.1983, c.313, s.11)

10

11 23. Section 17 of P.L.1983, c.313 (C.40A:5A-17) is amended to  
12 read as follows:

13 17. The members of the governing body of each authority shall,  
14 within 45 days of receipt of the annual audit, certify by resolution to  
15 the Local Finance Board that each member thereof has personally  
16 reviewed the annual audit report, and specifically the sections of the  
17 audit report entitled Schedule of Findings and Questioned Costs and  
18 General Comments and Recommendations, and has evidenced same  
19 by group affidavit signed by a majority of the full membership of  
20 the authority in the form prescribed by the Local Finance Board.  
21 Failure to comply with this provision may subject the members of  
22 the authority to the penalty provisions of section 52 of P.L.1947,  
23 c.151 (C.52:27BB-52).

24 (cf: P.L.1987, c.319, s.8)

25

26 24. Section 3 of P.L.1991, c.29 (C.40A:9-22.3) is amended to  
27 read as follows:

28 3. As used in this act:

29 a. "Board" means the Local Finance Board in the Division of  
30 Local Government Services in the Department of Community  
31 Affairs;

32 b. "Business organization" means any corporation, partnership,  
33 firm, enterprise, franchise, association, trust, sole proprietorship,  
34 union or other legal entity;

35 c. "Governing body" means, in the case of a municipality, the  
36 commission, council, board or body, by whatever name it may be  
37 known, having charge of the finances of the municipality, and, in  
38 the case of a county, the board of chosen freeholders, or, in the case  
39 of a county having adopted the provisions of the "Optional County  
40 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), as defined in  
41 the form of government adopted by the county under that act;

42 d. "Interest" means the ownership or control of more than 10%  
43 of the profits, assets or stock of a business organization but shall  
44 not include the control of assets in a nonprofit entity or labor union;

45 e. "Local government agency" means any agency, board,  
46 governing body, including the chief executive officer, bureau,  
47 division, office, commission or other instrumentality within a  
48 county or municipality, and any independent local authority,

1 including any entity created by more than one county or  
2 municipality, which performs functions other than of a purely  
3 advisory nature, but shall not include a school board;

4 f. "Local government employee" means any person, whether  
5 compensated or not, whether part-time or full-time, employed by or  
6 serving on a local government agency who is not a local  
7 government officer, but shall not mean any employee of a school  
8 district;

9 g. "Local government officer" means any person whether  
10 compensated or not, whether part-time or full-time: (1) elected to  
11 any office of a local government agency; (2) serving on a local  
12 government agency which has the authority to enact ordinances,  
13 approve development applications or grant zoning variances; (3)  
14 who is a member of an independent municipal, county or regional  
15 authority; or (4) who is a managerial executive **[or confidential]**  
16 employee of a local government agency, as defined in **[section 3 of**  
17 **the "New Jersey Employer-Employee Relations Act," P.L.1941,**  
18 **c.100 (C.34:13A-3)]** rules and regulations adopted by the Director  
19 of the Division of Local Government Services in the Department of  
20 Community Affairs pursuant to the "Administrative Procedure Act,"  
21 P.L.1968, c.410 (C.52:14B-1 et seq.), but shall not mean any  
22 employee of a school district or member of a school board;

23 h. "Local government officer or employee" means a local  
24 government officer or a local government employee;

25 i. "Member of immediate family" means the spouse or  
26 dependent child of a local government officer or employee residing  
27 in the same household.

28 (cf: P.L.1991, c.29, s.3)

29

30 25. Section 6 of P.L.1991, c.29 (C.40A:9-22.6) is amended to  
31 read as follows:

32 6. a. Local government officers shall annually file a financial  
33 disclosure statement. All financial disclosure statements filed  
34 pursuant to **[this act]** P.L.1991, c.29 shall include the following  
35 information which shall specify, where applicable, the name and  
36 address of each source and the local government officer's job title:

37 (1) Each source of income, earned or unearned, exceeding  
38 \$2,000 received by the local government officer or a member of his  
39 immediate family during the preceding calendar year. Individual  
40 client fees, customer receipts or commissions on transactions  
41 received through a business organization need not be separately  
42 reported as sources of income. If a publicly traded security is the  
43 source of income, the security need not be reported unless the local  
44 government officer or member of his immediate family has an  
45 interest in the business organization;

46 (2) Each source of fees and honorariums having an aggregate  
47 amount exceeding \$250 from any single source for personal  
48 appearances, speeches or writings received by the local government

1 officer or a member of his immediate family during the preceding  
2 calendar year;

3 (3) Each source of gifts, reimbursements or prepaid expenses  
4 having an aggregate value exceeding \$400 from any single source,  
5 excluding relatives, received by the local government officer or a  
6 member of his immediate family during the preceding calendar  
7 year;

8 (4) The name and address of all business organizations in which  
9 the local government officer or a member of his immediate family  
10 had an interest during the preceding calendar year; and

11 (5) The address and brief description of all real property in the  
12 State in which the local government officer or a member of his  
13 immediate family held an interest during the preceding calendar  
14 year.

15 b. The Local Finance Board shall prescribe a financial  
16 disclosure statement form for filing purposes. For counties and  
17 municipalities which have not established ethics boards, the board  
18 shall transmit sufficient copies of the forms to the municipal clerk  
19 in each municipality and the county clerk in each county for filing  
20 in accordance with this act. The municipal clerk shall make the  
21 forms available to the local government officers serving the  
22 municipality. The county clerk shall make the forms available to  
23 the local government officers serving the county.

24 For counties and municipalities which have established ethics  
25 boards, the Local Finance Board shall transmit sufficient copies of  
26 the forms to the ethics boards for filing in accordance with this act.  
27 The ethics boards shall make the forms available to the local  
28 government officers within their jurisdiction.

29 For local government officers serving the municipality, the  
30 original statement shall be filed with the municipal clerk in the  
31 municipality in which the local government officer serves. For  
32 local government officers serving the county, the original statement  
33 shall be filed with the county clerk in the county in which the local  
34 government officer serves. A copy of the statement shall be filed  
35 with the board. In counties or municipalities which have  
36 established ethics boards a copy of the statement shall also be filed  
37 with the ethics board having jurisdiction over the local government  
38 officer. Local government officers shall file the initial financial  
39 disclosure statement within 90 days following the effective date of  
40 this act. Thereafter, statements shall be filed on or before April  
41 30th each year, except that each local government officer shall file a  
42 financial disclosure statement within 30 days of taking office.

43 c. All financial disclosure statements filed shall be public  
44 records.

45 d. The Division of Local Government Services in the  
46 Department of Community Affairs may establish an electronic  
47 filing system for financial disclosure statements required to be filed

1 pursuant to this section.

2 (cf: P.L.2008, c.72, s.1)

3

4 26. Section 5 of P.L.1988, c.110 (C.40A:9-140.10) is amended  
5 to read as follows:

6 5. a. Notwithstanding the provisions of any law to the  
7 contrary, in every municipality there shall be a chief financial  
8 officer appointed by the governing body of the municipality. The  
9 requirement that every municipality shall have a chief financial  
10 officer may be fulfilled by the sharing of a chief financial officer  
11 with another municipality or municipalities under a shared service  
12 agreement entered into pursuant to the provisions of P.L.2007, c.63  
13 (C.40A:65-1 et seq.). Any such shared service agreement shall be  
14 subject to the provisions of section 4 of P.L.2007, c.63 (C.40A:65-  
15 4) and, with respect to pilot municipalities, section 3 of P.L.2013,  
16 c.166 (C.40A:65-4.2). The term of office shall be four years, which  
17 shall run from January 1 in the year in which the chief financial  
18 officer is appointed. The compensation for the chief financial  
19 officer shall be separately set forth in a municipal salary ordinance.

20 If a governing body fails or refuses to comply with this section,  
21 and has received an order from the director to do so, the members  
22 of a governing body who willfully fail or refuse to comply shall  
23 each be subject to a personal penalty of \$25 for each day after the  
24 date fixed for final action that failure or refusal to comply  
25 continues. The amount of the penalty may be recovered by the  
26 director in the name of the State as a personal debt of the member  
27 of the governing body, and shall be paid, upon receipt, into the  
28 State Treasury.

29 In the case of a pilot municipality, a tenured chief financial  
30 officer may be dismissed to effectuate the sharing of a service  
31 entered into pursuant to the provisions of P.L.2007, c.63  
32 (C.40A:65-1 et seq.) and such dismissal shall be deemed to be in  
33 the interest of the economy or efficiency of the participants in the  
34 shared service agreement. The removal of a chief financial officer  
35 under this section shall not require the pilot municipality to fulfill  
36 the requirements of section 2 of P.L.1977, c.39 (C.40A:9-140.8).  
37 Instead, the pilot municipality shall provide the chief financial  
38 officer with a written copy of the shared service agreement entered  
39 into by the pilot municipality, and a letter stating that the position  
40 of chief financial officer in the pilot municipality is being  
41 eliminated for reasons of economy or efficiency as the result of the  
42 shared service agreement.

43 b. The requirement that every municipality shall have a chief  
44 financial officer may be temporarily fulfilled by the appointment of  
45 a private entity to perform the duties of a chief financial officer. A  
46 municipality shall not make such appointment unless approved by  
47 the Director of the Division of Local Government Services in the  
48 Department of Community Affairs. Such approval shall only be

1 granted if the municipality demonstrates that it has made a good  
2 faith effort to hire an individual who holds a municipal finance  
3 officer certificate issued pursuant to the provisions of P.L.1971,  
4 c.413 (C.40A:9-140.1 et seq.). The term of office of a private entity  
5 appointed pursuant to this subsection shall not exceed two years.  
6 Any work performed by such private entity on behalf of the  
7 municipality shall be supervised by at least one employee who  
8 holds a municipal finance officer certificate issued pursuant to the  
9 provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.). Any  
10 documents requiring signature of the chief financial officer of the  
11 municipality shall be executed on behalf of the private entity by an  
12 employee holding a municipal finance officer certificate.  
13 (cf: P.L.2013, c.166, s.11)

14

15 27. Section 8 of P.L.1988, c.110 (C.40A:9-140.13) is amended  
16 to read as follows:

17 8. a. Commencing January 1, 1991, no person shall be  
18 appointed or reappointed as a chief financial officer unless he holds  
19 a municipal finance officer certificate issued pursuant to the  
20 provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.) or this act.

21 b. Any person who has, on or before the effective date of  
22 P.L.1988, c.110 been granted tenure pursuant to the provisions of  
23 section 2 of P.L.1977, c.39 (C.40A:9-140.8) or the provisions of  
24 N.J.S.40A:9-152, may continue to serve in his current position and  
25 shall not be removed from office or denied reappointment except  
26 for just cause and then only after a public hearing conducted  
27 pursuant to sections 2 and 3 of P.L.1977, c.39 (C.40A:9-140.8 and  
28 C.40A:9-140.9).

29 c. Any certified municipal finance officer who has been  
30 appointed as the chief financial officer of a municipality pursuant to  
31 section 5 of P.L.1988, c.110 (C.40A:9-140.10) subsequent to the  
32 effective date of P.L.1988, c.110 and who thereafter filed with the  
33 clerk of that municipality and with the Division of Local  
34 Government Services in the Department of Community Affairs a  
35 notification that he had complied with the requirements of section 2  
36 of P.L.1977, c.39 (C.40A:9-140.8) shall be considered to have been  
37 granted tenure and shall accordingly be entitled to the protections  
38 set forth in subsection b. of section 2 of P.L.1977, c.39 (C.40A:9-  
39 140.8).

40 d. Notwithstanding the provisions of any other law to the  
41 contrary, any person who has served as a municipal finance officer  
42 in the same municipality for a period of not less than five  
43 consecutive years while holding a municipal finance officer  
44 certificate issued in accordance with P.L.1971, c.413 (C.40A:9-  
45 140.1 et seq.), and who thereafter is appointed as the chief financial  
46 officer of that municipality, shall be granted tenure of office upon  
47 the filing with the clerk of the municipality and the Director of the  
48 Division of Local Government Services in the Department of

1 Community Affairs a notification evidencing his compliance with  
2 this section.

3 e. A municipal finance officer who has held office  
4 continuously for five consecutive years in the same municipality  
5 may continue to serve in his current position and shall not be  
6 removed from office or denied reappointment for failure to qualify  
7 as a certified municipal finance officer pursuant to provisions of  
8 P.L.1971, c.413 (C.40A:9-140.1 et seq.) or this act. However, any  
9 such individual shall not be entitled to be appointed as the chief  
10 financial officer of that municipality unless he possesses a  
11 municipal finance officer certificate.

12 f. When a vacancy occurs in the office of chief financial  
13 officer following the appointment of a certified municipal finance  
14 officer to that office, the governing body or chief executive officer,  
15 as appropriate, may appoint, for a period not to exceed one year and  
16 commencing on the date of the vacancy, a person who does not hold  
17 a municipal finance officer certificate to serve as a temporary chief  
18 financial officer. Any person so appointed may, with the approval  
19 of the director, be reappointed as chief financial officer following  
20 the termination of the temporary appointment for one additional  
21 year. No local unit shall have a temporary chief financial officer  
22 for more than two consecutive years. Time served as a temporary  
23 chief financial officer shall not count as time served as a chief  
24 financial officer for the purpose of acquiring tenure pursuant to  
25 subsection a. of section 2 of P.L.1977, c.39 (C.40A:9-140.8) or  
26 subsection d. of this section.

27 g. Upon application by a municipal governing body to the  
28 director, an individual without a municipal finance officer  
29 certificate may, with the approval of the director, be appointed to  
30 serve as the chief financial officer in a municipality in which he is  
31 presently employed if that individual meets all of the requirements  
32 established under subsection a. of section 2 of P.L.1971, c.413  
33 (C.40A:9-140.2) and further has completed four of the seven  
34 training courses identified in subsection b. of section 2 of P.L.1971,  
35 c.413 (C.40A:9-140.2), at least two of which shall be accounting  
36 courses. If any individual appointed as a chief financial officer  
37 pursuant to this subsection fails to obtain a municipal finance  
38 officer certificate prior to January 1, 1992, his appointment as chief  
39 financial officer shall lapse and the municipal governing body shall  
40 appoint a certified municipal finance officer as the municipality's  
41 chief financial officer.

42 (cf: P.L.1991, c.175, s.11)

43

44 28. Section 1 of P.L.1999, c.440 (C.40A:11-4.1) is amended to  
45 read as follows:

46 1. Notwithstanding the provisions of any law, rule or regulation  
47 to the contrary, competitive contracting may be used by local  
48 contracting units in lieu of public bidding for procurement of

- 1 specialized goods and services the price of which exceeds the bid  
2 threshold, for the following purposes:
- 3 a. The purchase or licensing of proprietary computer software  
4 designed for contracting unit purposes, which may include  
5 hardware intended for use with the proprietary software. This  
6 subsection shall not be utilized for the purpose of acquiring general  
7 purpose computer hardware or software;
- 8 b. The hiring of a for-profit entity or a not-for-profit entity  
9 incorporated under Title 15A of the New Jersey Statutes for the  
10 purpose of:
- 11 (1) the operation and management of a wastewater treatment  
12 system or a water supply or distribution facility of the type  
13 described in subsection (37) of section 15 of P.L.1971, c.198  
14 (C.40A:11-15), provided that competitive contracting shall not be  
15 used as a means of awarding contracts pursuant to P.L.1985, c.37  
16 (C.58:26-1 et al.) and P.L.1985, c.72 (C.58:27-1 et al.);
- 17 (2) the operation, management or administration of recreation or  
18 social service facilities or programs, which shall not include the  
19 administration of benefits under the Work First New Jersey  
20 program established pursuant to P.L.1997, c.38 (C.44:10-55 et  
21 seq.), or under General Assistance; or
- 22 (3) the operation, management or administration of data  
23 processing services;
- 24 c. (Deleted by amendment, P.L.2009, c.4).
- 25 d. Homemaker--home health services;
- 26 e. Laboratory testing services;
- 27 f. Emergency medical services;
- 28 g. Contracted food services;
- 29 h. Performance of patient care services by contracted medical  
30 staff at county hospitals, correctional facilities and long-term care  
31 facilities;
- 32 i. At the option of the governing body of the contracting unit,  
33 any good or service that is exempt from bidding pursuant to section  
34 5 of P.L.1971, c.198 (C.40A:11-5);
- 35 j. Concessions;
- 36 k. The operation, management or administration of other  
37 services, with the approval of the Director of the Division of Local  
38 Government Services ;
- 39 l. Maintenance, custodial, and groundskeeping services;
- 40 m. Consulting services;
- 41 n. Emergency medical billing services;
- 42 o. Property appraisal services;
- 43 p. Reassessment or revaluation services;
- 44 q. Grant writing services;
- 45 r. Animal control services.
- 46 Any purpose included herein shall not be considered by a  
47 contracting unit as an extraordinary unspecifiable service pursuant

1 to subparagraph (ii) of paragraph [(a)(ii)] (a) of subsection (1) of  
2 section 5 of P.L.1971, c.198 (C.40A:11-5).  
3 (cf: P.L.2009, c.4, s.7)

4

5 29. Section 4 of P.L.2001, c.310 (C.40A:12A-67) is amended to  
6 read as follows:

7 4. a. The municipality may issue bonds itself in the manner  
8 provided for herein or pursuant to the "Local Redevelopment and  
9 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) or may apply  
10 to the authority to issue bonds, regardless of whether the  
11 redevelopment project is undertaken under municipal authority  
12 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State  
13 entity redeveloper pursuant to a State entity redevelopment  
14 agreement, which in any case may be secured by payments in lieu  
15 of taxes or special assessments or both or a portion thereof, by the  
16 adoption of a resolution or ordinance, as applicable, of the  
17 governing body of the municipality, authority or State entity to that  
18 effect.

19 b. A municipality that has designated a redevelopment area or  
20 in which a redevelopment project is undertaken by a State entity  
21 redeveloper pursuant to a State entity redevelopment agreement  
22 may, by resolution of its governing body, if it determines to issue  
23 bonds through the authority, enter into contracts with the authority  
24 relating to that redevelopment project, or to act as a redeveloper or  
25 to finance or refinance a redevelopment project undertaken by a  
26 State entity redeveloper pursuant to a State entity redevelopment  
27 agreement within a redevelopment area. A resolution so adopted  
28 shall contain findings and determinations of the governing body: (1)  
29 that all or a portion of the redevelopment project undertaken within  
30 the municipality will result in the redevelopment of the  
31 municipality; and, (2) that the contract with the authority or, to the  
32 extent applicable, the financial agreement with the State entity  
33 redeveloper, is a necessary or important inducement to the  
34 undertaking of the project or the redevelopment project undertaken  
35 by the State entity redeveloper in that it makes the financing thereof  
36 feasible. The contract or contracts, or the terms of any bonds issued  
37 directly by a municipality may provide for the assignment, for the  
38 benefit of bondholders, of all or any portion of payments in lieu of  
39 taxes, or special assessments, or both. A contract may be made and  
40 entered into for a term beginning currently or at some future or  
41 contingent date, and with or without consideration, and for a  
42 specified or unlimited time, and on any terms and conditions which  
43 may be requested by the municipality and, to the extent applicable,  
44 the State entity redeveloper, and, if applicable, as may be agreed to  
45 by the authority and, to the extent applicable, the State entity  
46 redeveloper, in conformity with its contracts with the holders of  
47 bonds, and shall be valid and binding on the municipality. The  
48 municipality is hereby authorized and directed to do and perform

1 any contract so entered into by it and to provide for the discharge of  
2 any obligation thereunder in the same manner as other obligations  
3 of the municipality.

4 Any contract, and any instrument making or evidencing the  
5 same, may be pledged or assigned by the authority, with the consent  
6 of the municipality executing the contract, and, to the extent  
7 applicable, the consent of the State entity redeveloper, to secure its  
8 bonds and thereafter may not be modified except as provided by the  
9 terms of the instrument or by the terms of the pledge or assignment.

10 The municipality may include in the terms of a bond or contract,  
11 including a financial agreement, a provision that the payments in  
12 lieu of taxes or special assessments shall constitute a municipal  
13 charge for the purposes of R.S.54:4-66.

14 c. The payments in lieu of taxes or special assessments, or  
15 both, may be assigned directly by the municipality or the authority  
16 or the trustee for the bonds as payment or security for the bonds.  
17 Notwithstanding any law to the contrary, the assignment shall be an  
18 absolute assignment of all the municipality's right, title, and interest  
19 in the payment in lieu of taxes or special assessments, or both, or  
20 portion thereof, along with the rights and remedies provided to the  
21 municipality under the agreement including, but not limited to, the  
22 right of collection of payments due. Payments in lieu of taxes and  
23 special assessments assigned as provided hereunder shall not be  
24 included in the general funds of the municipality, nor shall they be  
25 subject to any laws regarding the receipt, deposit, investment or  
26 appropriation of public funds and shall retain such status  
27 notwithstanding enforcement of the payment or assessment by the  
28 municipality or assignee as provided herein. The municipality shall  
29 be a "person" within the meaning of that term as defined in section  
30 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this  
31 section shall be a "project" within the meaning of that term as  
32 defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

33 d. Notwithstanding the provisions of subsection g. of section  
34 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to  
35 this section may be issued as non-recourse obligations, and unless  
36 otherwise provided for by a separate action of the municipality to  
37 guarantee such bonds or otherwise provide for a pledge of the  
38 municipality's full faith and credit shall not, except for such action,  
39 be considered to be direct and general obligations of the  
40 municipality, and, absent such action, the municipality shall not be  
41 obligated to levy and collect a tax sufficient in an amount to pay the  
42 principal and interest on the bonds when the same become due and  
43 payable. The provisions of the "Local Government Supervision Act  
44 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to  
45 any bonds issued or authorized pursuant to this section and those  
46 bonds shall not be considered gross debt of the municipality on any  
47 debt statement filed in accordance with the "Local Bond Law,"

1 N.J.S.40A:2-1 et seq., and the provisions of chapter 27 of Title 52  
2 of the Revised Statutes shall not apply to such bonds.

3 e. The proceeds from the sale of bonds and any funds provided  
4 by any department of the State, authority created by the State or bi-  
5 state authority for the purposes described in the "Redevelopment  
6 Area Bond Financing Law," sections 1 through 10 of P.L.2001,  
7 c.310 (C.40A:12A-64 et seq.) or for the purpose of financing or  
8 refinancing a redevelopment project pursuant to a State entity  
9 redevelopment agreement, shall not require compliance with public  
10 bidding laws, including the "Local Public Contracts Law,"  
11 P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the  
12 redeveloper or State entity redeveloper, as the case may be, shall  
13 undertake the redevelopment project. The use of these funds shall  
14 be subject to public accountability and oversight by the issuer of  
15 those bonds, regardless of whether the municipality, agency or  
16 authority provides the funds.

17 f. In order to provide additional security for any loan to a  
18 redeveloper or a State entity redeveloper, as the case may be, or to  
19 bonds issued to finance a redevelopment project, regardless of  
20 whether that redevelopment project is undertaken under municipal  
21 authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a  
22 State entity redeveloper pursuant to a State entity redevelopment  
23 agreement, the municipality may utilize powers otherwise provided  
24 by law, including the "Local Redevelopment and Housing Law,"  
25 P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension  
26 of the municipality's credit to any redeveloper or State entity  
27 redeveloper, as the case may be, or its full faith and credit which  
28 may include a full faith and credit lease as security for the bonds or  
29 any loan to a redeveloper or State entity redeveloper, as the case  
30 may be. To the extent that the municipality provides for a full faith  
31 and credit guarantee of any loan to a redeveloper or State entity  
32 redeveloper, as the case may be, or any bonds, but determines not to  
33 authorize the issuance of bonds or notes to provide for the funding  
34 source thereof, or otherwise determines to enter into a full faith and  
35 credit lease, it may do so by **[resolution approved by a majority of  
36 the full governing body]** an ordinance introduced, adopted, and  
37 published in accordance with the provisions of N.J.S.40A:2-17 and  
38 N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the  
39 first publication of the ordinance or of a summary thereof after final  
40 adoption. To the extent that bonds or notes are authorized as  
41 provided above, such bonds or notes shall be authorized pursuant to  
42 the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and  
43 shall be deductible from the gross debt of the municipality until  
44 such time as such bonds or notes are actually issued, and only up to  
45 the amount actually issued, to fund such guarantee.

46 g. A financial instrument, whether issued by a municipality or  
47 an authority, that is secured in whole or in part by payments in lieu  
48 of taxes or by special assessments, or both, as provided herein shall

1 be subject to the review and approval of the board. That review and  
2 approval shall be made prior to approval of, in the case of a  
3 municipality, an introduced ordinance or, in the case of an  
4 authority, a resolution. The board shall be entitled to receive from  
5 the applicant an amount sufficient to provide for all reasonable  
6 professional and other fees and expenses incurred by it for the  
7 review, analysis and determination with respect thereto. As part of  
8 its review, the board shall specifically solicit comments from the  
9 Office of State Planning and the New Jersey Economic  
10 Development Authority in addition to comments from the public.  
11 The Office of State Planning shall provide comments on whether  
12 the redevelopment project or plan promotes congestion reduction,  
13 enhanced mobility, further redevelopment, and otherwise improves  
14 the quality of life of residents. As part of the board's review and  
15 approval, it shall consider [where appropriate one or more of the  
16 following: whether the redevelopment project or plan promotes  
17 approaches and concepts to reduce congestion; enhance mobility;  
18 assist in the redevelopment of our municipalities; and otherwise  
19 improve the quality of life of our citizens] the comments submitted  
20 and whether the issuance of the redevelopment area bond will  
21 adversely impact the financial stability of the municipality or  
22 service area of the authority.

23 h. A municipality that has assigned any portion of the  
24 payments in lieu of taxes it receives pursuant to a financial  
25 agreement, as payment or security for bonds, may also pledge a  
26 portion of those payments in lieu of taxes as payment or security for  
27 bonds in order to finance or refinance any cost or expense of the  
28 municipality, State entity or authority.

29 i. In the case of a municipality which is otherwise subject to  
30 tax or revenue sharing pursuant to law and which assigns a portion  
31 of the payments in lieu of taxes or special assessments pursuant to a  
32 financial agreement to secure bonds issued by the municipality or  
33 the authority, the assigned portion of those payments in lieu of taxes  
34 or special assessments shall not be considered part of the tax or  
35 revenue sharing formula or calculation of municipal revenues for  
36 the purpose of determining whether that municipality is obligated to  
37 make payment to, or receive a credit from, any tax sharing or  
38 revenue sharing pool.

39 (cf: P.L.2004, c.112, s.3)

40

41 30. N.J.S.40A:14-34 is amended to read as follows:

42 40A:14-34. The governing body of any municipality may raise  
43 and appropriate funds to be granted to the boards of fire  
44 commissioners of any fire district or volunteer fire companies  
45 located therein, up to a total annual appropriation of **[\$90,000.00**  
46 **annually]** \$150,000, which shall be adjusted biennially for inflation  
47 by the Director of the Division of Local Government Services in the  
48 Department of Community Affairs in accordance with the cost-of-

1 living adjustment promulgated pursuant to section 4 of P.L.1983,  
2 c.49 (C.40A:4-45.1a). In any municipality in which there are more  
3 than three such boards or companies, or both, the governing body  
4 may raise and appropriate an additional **【\$30,000.00】** \$50,000  
5 annually for each such additional board or company. Any such  
6 board or company shall use not less than 50% of the funds received  
7 pursuant to this section for the purchase of fire equipment, materials  
8 and supplies. All funds appropriated under this section shall be  
9 accounted for to the governing body annually.

10 Any municipality may appropriate such additional sums as it  
11 may deem necessary for the purchase of fire equipment, supplies  
12 and materials for use by fire companies or boards, the title to which  
13 shall remain with the municipality, provided that the funds shall be  
14 controlled and disbursed by the municipality. In the case of a joint  
15 purchase made by the governing bodies of two or more  
16 municipalities pursuant to the provisions of the "Consolidated  
17 Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et seq.), the  
18 title to the purchase shall be held by the joint meeting formed by the  
19 contracting governing bodies.

20 (cf: P.L.1989, c.41, s.1)

21

22 31. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to  
23 read as follows:

24 9. Every approved project shall be evidenced by a financial  
25 agreement between the municipality and the urban renewal entity.  
26 The agreement shall be prepared by the entity and submitted as a  
27 separate part of its application for project approval. The agreement  
28 shall not take effect until approved by ordinance of the  
29 municipality. Any amendments or modifications of the agreement  
30 made thereafter shall be by mutual consent of the municipality and  
31 the urban renewal entity, and shall be subject to approval by  
32 ordinance of the municipal governing body upon recommendation  
33 of the mayor or other chief executive officer of the municipality  
34 prior to taking effect.

35 The financial agreement shall be in the form of a contract  
36 requiring full performance within 30 years from the date of  
37 completion of the project, and shall include the following:

38 a. That the profits of or dividends payable by the urban  
39 renewal entity shall be limited according to terms appropriate for  
40 the type of entity in conformance with the provisions of P.L.1991,  
41 c.431 (C.40A:20-1 et seq.).

42 b. That all improvements and land, to the extent authorized  
43 pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the  
44 project to be constructed or acquired by the urban renewal entity  
45 shall be exempt from taxation as provided in P.L.1991, c.431  
46 (C.40A:20-1 et seq.).

1 c. That the urban renewal entity shall make payments for  
2 municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et  
3 seq.).

4 d. That the urban renewal entity shall submit annually, within  
5 90 days after the close of its fiscal year, its auditor's reports to the  
6 mayor and governing body of the municipality [and to the Director  
7 of the Division of Local Government Services in the Department of  
8 Community Affairs].

9 e. That the urban renewal entity shall, upon request, permit  
10 inspection of property, equipment, buildings and other facilities of  
11 the entity, and also permit examination and audit of its books,  
12 contracts, records, documents and papers by authorized  
13 representatives of the municipality or the State.

14 f. That in the event of any dispute between the parties matters  
15 in controversy shall be resolved by arbitration in the manner  
16 provided in the financial agreement.

17 g. That operation under the financial agreement shall be  
18 terminable by the urban renewal entity in the manner provided by  
19 P.L.1991, c.431 (C.40A:20-1 et seq.).

20 h. That the urban renewal entity shall at all times prior to the  
21 expiration or other termination of the financial agreement remain  
22 bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

23 The financial agreement shall contain detailed representations  
24 and covenants by the urban renewal entity as to the manner in  
25 which it proposes to use, manage or operate the project. The  
26 financial agreement shall further set forth the method for computing  
27 gross revenue for the urban renewal entity, the method of  
28 determining insurance, operating and maintenance expenses paid by  
29 a tenant which are ordinarily paid by a landlord, the plans for  
30 financing the project, including the estimated total project cost, the  
31 amortization rate on the total project cost, the source of funds, the  
32 interest rates to be paid on the construction financing, the source  
33 and amount of paid-in capital, the terms of mortgage amortization  
34 or payment of principal on any mortgage, a good faith projection of  
35 initial sales prices of any condominium units and expenses to be  
36 incurred in promoting and consummating such sales, and the rental  
37 schedules and lease terms to be used in the project. Any financial  
38 agreement may allow the municipality to levy an annual  
39 administrative fee, not to exceed two percent of the annual service  
40 charge.

41 (cf: P.L.2003, c.125, s.9)

42

43 32. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to  
44 read as follows:

45 12. The rehabilitation or improvements made in the development  
46 or redevelopment of a redevelopment area or area appurtenant  
47 thereto or for a redevelopment relocation housing project, pursuant  
48 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from

1 taxation for a limited period as hereinafter provided. When housing  
2 is to be constructed, acquired or rehabilitated by an urban renewal  
3 entity, the land upon which that housing is situated shall be exempt  
4 from taxation for a limited period as hereinafter provided. The  
5 exemption shall be allowed when the clerk of the municipality  
6 wherein the property is situated shall certify to the municipal tax  
7 assessor that a financial agreement with an urban renewal entity for  
8 the development or the redevelopment of the property, or the  
9 provision of a redevelopment relocation housing project, or the  
10 provision of a low and moderate income housing project has been  
11 entered into and is in effect as required by P.L.1991, c.431  
12 (C.40A:20-1 et seq.).

13 Delivery by the municipal clerk to the municipal tax assessor of  
14 a certified copy of the ordinance of the governing body approving  
15 the tax exemption and financial agreement with the urban renewal  
16 entity shall constitute the required certification. For each  
17 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et  
18 al.), upon certification as required hereunder, the tax assessor shall  
19 implement the exemption and continue to enforce that exemption  
20 without further certification by the clerk until the expiration of the  
21 entitlement to exemption by the terms of the financial agreement or  
22 until the tax assessor has been duly notified by the clerk that the  
23 exemption has been terminated.

24 **【Upon the adoption of a financial agreement pursuant to**  
25 **P.L.1991, c.431 (C.40A:20-1 et seq.), a certified copy of the**  
26 **ordinance of the governing body approving the tax exemption and**  
27 **the financial agreement with the urban renewal entity shall**  
28 **forthwith be transmitted to the Director of the Division of Local**  
29 **Government Services.】**

30 Whenever an exemption status changes during a tax year, the  
31 procedure for the apportionment of the taxes for the year shall be  
32 the same as in the case of other changes in tax exemption status  
33 during the tax year. Tax exemptions granted pursuant to P.L.2003,  
34 c.125 (C.40A:12A-4.1 et al.) represent long term financial  
35 agreements between the municipality and the urban renewal entity  
36 and as such constitute a single continuing exemption from local  
37 property taxation for the duration of the financial agreement. The  
38 validity of a financial agreement or any exemption granted pursuant  
39 thereto may be challenged only by filing an action in lieu of  
40 prerogative writ within 20 days from the publication of a notice of  
41 the adoption of an ordinance by the governing body granting the  
42 exemption and approving the financial agreement. Such notice  
43 shall be published in a newspaper of general circulation in the  
44 municipality and in a newspaper of general circulation in the county  
45 if different from the municipal newspaper.

46 a. The duration of the exemption for urban renewal entities  
47 shall be as follows: for all projects, a term of not more than 30 years  
48 from the completion of the entire project, or unit of the project if

1 the project is undertaken in units, or not more than 35 years from  
2 the execution of the financial agreement between the municipality  
3 and the urban renewal entity.

4 b. During the term of any exemption, in lieu of any taxes to be  
5 paid on the buildings and improvements of the project and, to the  
6 extent authorized pursuant to this section, on the land, the urban  
7 renewal entity shall make payment to the municipality of an annual  
8 service charge, which shall remit a portion of that revenue to the  
9 county as provided hereinafter. In addition, the municipality may  
10 assess an administrative fee, not to exceed two percent of the annual  
11 service charge, for the processing of the application. The annual  
12 service charge for municipal services supplied to the project to be  
13 paid by the urban renewal entity for any period of exemption, shall  
14 be determined as follows:

15 (1) An annual amount equal to a percentage determined  
16 pursuant to this subsection and section 11 of P.L.1991, c.431  
17 (C.40A:20-11), of the annual gross revenue from each unit of the  
18 project, if the project is undertaken in units, or from the total  
19 project, if the project is not undertaken in units. The percentage of  
20 the annual gross revenue shall not be more than 15% in the case of  
21 a low and moderate income housing project, nor less than 10% in  
22 the case of all other projects.

23 At the option of the municipality, or where because of the nature  
24 of the development, ownership, use or occupancy of the project or  
25 any unit thereof, if the project is to be undertaken in units, the total  
26 annual gross rental or gross shelter rent or annual gross revenue  
27 cannot be reasonably ascertained, the governing body shall provide  
28 in the financial agreement that the annual service charge shall be a  
29 sum equal to a percentage determined pursuant to this subsection  
30 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total  
31 project cost or total project unit cost determined pursuant to  
32 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day  
33 of the month following the substantial completion of the project or  
34 any unit thereof, if the project is undertaken in units. The  
35 percentage of the total project cost or total project unit cost shall not  
36 be more than 2% in the case of a low and moderate income housing  
37 project, and shall not be less than 2% in the case of all other  
38 projects.

39 (2) In either case, the financial agreement shall establish a  
40 schedule of annual service charges to be paid over the term of the  
41 exemption period, which shall be in stages as follows:

42 (a) For the first stage of the exemption period, which shall  
43 commence with the date of completion of the unit or of the project,  
44 as the case may be, and continue for a time of not less than six years  
45 nor more than 15 years, as specified in the financial agreement, the  
46 urban renewal entity shall pay the municipality an annual service  
47 charge for municipal services supplied to the project in an annual  
48 amount equal to the amount determined pursuant to paragraph (1) of

1 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).  
2 For the remainder of the period of the exemption, if any, the annual  
3 service charge shall be determined as follows:

4 (b) For the second stage of the exemption period, which shall  
5 not be less than one year nor more than six years, as specified in the  
6 financial agreement, an amount equal to either the amount  
7 determined pursuant to paragraph (1) of this subsection and section  
8 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of  
9 taxes otherwise due on the value of the land and improvements,  
10 whichever shall be greater;

11 (c) For the third stage of the exemption period, which shall not  
12 be less than one year nor more than six years, as specified in the  
13 financial agreement, an amount equal to either the amount  
14 determined pursuant to paragraph (1) of this subsection and section  
15 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of  
16 taxes otherwise due on the value of the land and improvements,  
17 whichever shall be greater;

18 (d) For the fourth stage of the exemption period, which shall not  
19 be less than one year nor more than six years, as specified in the  
20 financial agreement, an amount equal to either the amount  
21 determined pursuant to paragraph (1) of this subsection and section  
22 11 of P.L.1991, c.431 (C.40A:20-11), or 60% of the amount of  
23 taxes otherwise due on the value of the land and improvements,  
24 whichever shall be greater; and

25 (e) For the final stage of the exemption period, the duration of  
26 which shall not be less than one year and shall be specified in the  
27 financial agreement, an amount equal to either the amount  
28 determined pursuant to paragraph (1) of this subsection and section  
29 11 of P.L.1991, c.431 (C.40A:20-11), or 80% of the amount of  
30 taxes otherwise due on the value of the land and improvements,  
31 whichever shall be greater.

32 If the financial agreement provides for an exemption period of  
33 less than 30 years from the completion of the entire project, or less  
34 than 35 years from the execution of the financial agreement, the  
35 financial agreement shall set forth a schedule of annual service  
36 charges for the exemption period which shall be based upon the  
37 minimum service charges and staged adjustments set forth in this  
38 section.

39 The annual service charge shall be paid to the municipality on a  
40 quarterly basis in a manner consistent with the municipality's tax  
41 collection schedule.

42 Each municipality which enters into a financial agreement on or  
43 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)  
44 shall remit 5 percent of the annual service charge to the county  
45 upon receipt of that charge in accordance with the provisions of this  
46 section.

47 Against the annual service charge the urban renewal entity shall  
48 be entitled to credit for the amount, without interest, of the real

1 estate taxes on land paid by it in the last four preceding quarterly  
2 installments.

3 Notwithstanding the provisions of this section or of the financial  
4 agreement, the minimum annual service charge shall be the amount  
5 of the total taxes levied against all real property in the area covered  
6 by the project in the last full tax year in which the area was subject  
7 to taxation, and the minimum annual service charge shall be paid in  
8 each year in which the annual service charge calculated pursuant to  
9 this section or the financial agreement would be less than the  
10 minimum annual service charge.

11 c. All exemptions granted pursuant to the provisions of  
12 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time  
13 prescribed in the financial agreement.

14 Upon the termination of the exemption granted pursuant to the  
15 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all  
16 affected parcels, land and all improvements made thereto shall be  
17 assessed and subject to taxation as are other taxable properties in  
18 the municipality. After the date of termination, all restrictions and  
19 limitations upon the urban renewal entity shall terminate and be at  
20 an end upon the entity's rendering its final accounting to and with  
21 the municipality.

22 (cf: P.L.2003, c.125, s.11)

23

24 33. Section 6 of P.L.1953, c.410 (C.47:3-20) is amended to read  
25 as follows:

26 6. No such schedule shall be operative unless approved by the  
27 State Records Committee which is hereby established in the State  
28 Department of Education and which shall consist of the State  
29 Treasurer, the Attorney-General, the State Auditor, a person,  
30 appointed by the Director of the Division of Local Government  
31 Services in the Department of [the Treasury] Community Affairs,  
32 who holds a registered municipal clerk certificate issued pursuant to  
33 N.J.S.40A:9-133 et seq., and the head of the Bureau of Archives  
34 and History in the Department of Education. Each member of the  
35 committee may designate in writing a representative to act in his  
36 place on said committee.

37 The State Records Committee shall have the powers and duties  
38 prescribed for it herein and shall make and promulgate such  
39 regulations, not inconsistent with law, as may be necessary to  
40 adequately effectuate such powers and duties.

41 (cf: P.L.1953, c.410, s.6)

42

43 34. Section 14 of P.L.1947, c.151 (C.52:27BB-14) is amended to  
44 read as follows:

45 14. The board shall adopt rules of procedure to govern hearings  
46 and other proceedings before the board. The board may hold  
47 hearings at the office of the director, or any other place convenient  
48 to the parties. The rules of procedure adopted by the board shall

1 govern all hearings and a record of proceedings shall be taken,  
2 which at the request of a party to the hearing may be stenographic.  
3 Decision shall be made by a majority vote of the board ; provided,  
4 however, that the board shall not authorize fees charged for  
5 financings that are greater than 0.125 percent of the par value of the  
6 bonds to be issued unless the same is approved by at least a two-  
7 thirds majority of the board.

8 (cf: P.L.1947, c.151, s.14)

9

10 35. R.S.54:4-65 is amended to read as follows:

11 54:4-65. a. The Director of the Division of Local Government  
12 Services in the Department of Community Affairs shall approve the  
13 form and content of property tax bills.

14 b. (1) Each tax bill shall have printed thereon a brief tabulation  
15 showing the distribution of the amount raised by taxation in the  
16 taxing district, in such form as to disclose the rate per \$100.00 of  
17 assessed valuation or the number of cents in each dollar paid by the  
18 taxpayer which is to be used for the payment of State school taxes,  
19 other State taxes, county taxes, local school expenditures, free  
20 public library taxes, and other local expenditures. The last named  
21 item may be further subdivided so as to show the amount for each  
22 of the several departments of the municipal government. In lieu of  
23 printing such information on the tax bill, any municipality may  
24 furnish the tabulation required hereunder and any other pertinent  
25 information in a statement accompanying the mailing or delivery of  
26 the tax bill.

27 (2) When a parcel receives a homestead property tax credit  
28 pursuant to the provisions of P.L.2007, c.62 (C.18A:7F-37 et al.),  
29 the amount of the credit shall be included with the tax calculation as  
30 a reduction in the total tax calculation for the year. One-half of the  
31 amount of the credit shall be deducted from taxes otherwise due for  
32 the third installment and the remaining one-half shall be deducted  
33 from taxes otherwise due for the fourth installment.

34 (3) There shall be included on or with the tax bill the delinquent  
35 interest rate or rates to be charged and any end of year penalty that  
36 is authorized and any other such information that the director may  
37 require from time to time.

38 c. The tax bill shall also include a **【calculation stating】**  
39 statement about the availability of, on the Internet website of the  
40 Department of Community Affairs, the amounts of State aid and  
41 assistance received by the municipality, school districts, special  
42 districts, free public libraries, **【and】** county governments that offset  
43 property taxes that are otherwise due on each parcel. The tax bill  
44 shall also include the link to the Internet website of the Department  
45 of Community Affairs containing this information. The director  
46 shall **【certify to each tax collector】** cause the amounts of said State  
47 aid and assistance that shall serve as the basis for the calculation for  
48 each parcel to be displayed on the Internet website of the

1 Department of Community Affairs. The director shall set standards  
2 for the **【calculation and】** display of the statement on the tax bill.

3 d. The tax bill or form mailed with the tax bill shall include  
4 thereon the date upon which each installment is due.

5 e. If a property tax bill includes in its calculation a homestead  
6 property tax credit, the bill shall, in addition to the calculation  
7 showing taxes due, either display a notice concerning the credit on  
8 the face of the property tax bill or with a separate notice, with the  
9 content and wording as the director provides.

10 (cf: P.L.2011, c.38, s.5)

11

12 36. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to  
13 read as follows:

14 9. a. (1) The trust may make and contract to make loans to  
15 local government units, or to a local government unit on behalf of  
16 another local government unit, in accordance with and subject to the  
17 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
18 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater  
19 treatment system project or water supply project, which the local  
20 government unit may lawfully undertake or acquire and for which  
21 the local government unit is authorized by law to borrow money.

22 (2) The trust may make and contract to make loans to public  
23 water utilities, or to any other person or local government unit on  
24 behalf of a public water utility, in accordance with and subject to  
25 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
26 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply  
27 project, which the public water utility may lawfully undertake or  
28 acquire.

29 (3) The trust may make and contract to make loans to private  
30 persons other than local government units, or to any other person or  
31 local government unit on behalf of a private person, in accordance  
32 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1  
33 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost  
34 of stormwater management systems.

35 The loans may be made subject to those terms and conditions as  
36 the trust shall determine to be consistent with the purposes thereof.  
37 Each loan by the trust and the terms and conditions thereof shall be  
38 subject to approval by the State Treasurer, and the trust shall make  
39 available to the State Treasurer all information, statistical data and  
40 reports of independent consultants or experts as the State Treasurer  
41 shall deem necessary in order to evaluate the loan. Each loan to a  
42 local government unit, public water utility or any other person shall  
43 be evidenced by notes, bonds or other obligations thereof issued to  
44 the trust. In the case of each local government unit, notes and  
45 bonds to be issued to the trust by the local government unit (1) shall  
46 be authorized and issued as provided by law for the issuance of  
47 notes and bonds by the local government unit, (2) shall be approved  
48 by **【the Local Finance Board in】** the Division of Local Government

1 Services in the Department of Community Affairs, and (3) <sub>2</sub>  
2 notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28  
3 and N.J.S.40A:2-29 or any other provisions of law to the contrary,  
4 may be sold at private sale to the trust at any price, whether or not  
5 less than par value, and shall be subject to redemption prior to  
6 maturity at any times and at any prices as the trust and local  
7 government units may agree. Each loan to a local government unit,  
8 public water utility or any other person and the notes, bonds or  
9 other obligations thereby issued shall bear interest at a rate or rates  
10 per annum as the trust and the local government unit, public water  
11 utility or any other person, as the case may be, may agree.

12 b. The trust is authorized to guarantee or contract to guarantee  
13 the payment of all or any portion of the principal and interest on  
14 bonds, notes or other obligations issued by a local government unit  
15 to finance the cost of any wastewater treatment system project or  
16 water supply project, which the local government unit may lawfully  
17 undertake or acquire and for which the local government unit is  
18 authorized by law to borrow money, and the guarantee shall  
19 constitute an obligation of the trust for the purposes of P.L.1985,  
20 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et  
21 al.). Each guarantee by the trust and the terms and conditions  
22 thereof shall be subject to approval by the State Treasurer, and the  
23 trust shall make available to the State Treasurer all information,  
24 statistical data and reports of independent consultants or experts as  
25 the State Treasurer shall deem necessary in order to evaluate the  
26 guarantee.

27 c. The trust shall not make or contract to make any loans or  
28 guarantees to local government units, public water utilities or any  
29 other person, or otherwise incur any additional indebtedness, on or  
30 after June 30, 2033.

31 d. Notwithstanding any provision of P.L.1985, c.334  
32 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to  
33 the contrary, the trust may receive funds from any source or issue  
34 its bonds, notes or other obligations in any principal amounts as in  
35 the judgment of the trust shall be necessary to provide sufficient  
36 funds to finance or refinance short-term or temporary loans to local  
37 government units, public water utilities or private persons for any  
38 wastewater treatment system projects included on the project  
39 priority list and eligible for approval pursuant to section 20 of  
40 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
41 the project priority list and eligible for approval pursuant to section  
42 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without  
43 regard to any other provisions of P.L.1985, c.334 or P.L.1997,  
44 c.224, including, without limitation, any administrative or  
45 legislative approvals.

46 The trust shall create and establish a special fund (hereinafter  
47 referred to as the "Interim Financing Program Fund") for the short-

1 term or temporary loan financing or refinancing program  
2 (hereinafter referred to as the "Interim Financing Program").

3 Any short-term or temporary loans made by the trust pursuant to  
4 this subsection may only be made in advance of the anticipated  
5 loans the trust may make and contract to make under the provisions  
6 of subsection a. of this section from any source of funds anticipated  
7 to be received by the trust. Any such short-term or temporary loan  
8 made pursuant to the Interim Financing Program shall mature no  
9 later than the last day of the third succeeding fiscal year following  
10 the closing date on which the short-term or temporary loan was  
11 made by the trust to the project sponsor. The trust may make short-  
12 term or temporary loans pursuant to the Interim Financing Program  
13 to any one or more of the project sponsors, for the respective  
14 projects thereof, identified in the interim financing project priority  
15 list (hereinafter referred to as the "Interim Financing Program  
16 Eligibility List") in the form provided to the Legislature by the  
17 Commissioner of Environmental Protection.

18 Incremental revisions or supplements to the Interim Financing  
19 Program Eligibility List may be submitted to the Legislature at any  
20 time between January 15th and May 15th of each year.

21 The Interim Financing Program Eligibility List, including any  
22 revision thereof or supplement thereto, shall be submitted to the  
23 Legislature on or before June 30 of each year on a day when both  
24 Houses are meeting. The President of the Senate and the Speaker of  
25 the General Assembly shall cause the date of submission to be  
26 entered upon the Senate Journal and the Minutes of the General  
27 Assembly, respectively. Any environmental infrastructure project  
28 or the project sponsor thereof not identified in the Interim Financing  
29 Program Eligibility List shall not be eligible for a short-term or  
30 temporary loan from the Interim Financing Program Fund.

31 (cf: P.L.2013, c.93, s.3)

32

33 37. The following sections are repealed:  
34 Section 15 of P.L.1941, c.151 (C.4:19-15.15);  
35 Section 4 of P.L.1985, c.174 (C.40A:9-133.4); and  
36 Section 7 of P.L.1997, c.279 (C.40A:9-133.9).

37

38 38. This act shall take effect immediately.

39

40

41

## STATEMENT

42

43 This bill would eliminate several responsibilities of and  
44 reorganize the Division of Local Government Services (DLGS) in  
45 the Department of Community Affairs (DCA) and would also  
46 eliminate or revise several State law mandates on local  
47 governments. This bill would streamline the responsibilities of

1 DLGS and local governments to allow these entities to focus more  
2 of their limited resources on their core functions.

3 The bill would affect DLGS as follows:

- 4 • Transfer the responsibility to review applications for the  
5 dissolution of or withdrawal from regional school districts  
6 from the board of review, on which the Director of DLGS  
7 sits, to the Commissioner of Education. The board of  
8 review process adds significant delays and professional  
9 costs to consideration of such applications, which can be  
10 appropriately considered by the Department of Education.  
11 As the board of review only exists to hear such  
12 applications, it would be abolished.
- 13 • Eliminate the requirement that a copy of an ordinance  
14 establishing a downtown business improvement zone  
15 within a special improvement district be filed with DLGS.  
16 DLGS does not have any oversight of special  
17 improvement districts or any aspects thereof, and the  
18 filing requirement is an unnecessary mandate.
- 19 • Eliminate the requirement that a copy of an annual audit  
20 of a district management corporation, which operates a  
21 special improvement district, be filed with DLGS. Again,  
22 DLGS does not have any oversight of special  
23 improvement districts or any aspects thereof, and the  
24 filing requirement is an unnecessary mandate.
- 25 • Transfer the responsibility to review and approve  
26 municipal port authority budgets from the Local Finance  
27 Board (LFB), an agency within DLGS, to DLGS itself.  
28 DLGS routinely approves such annual budgets and can  
29 review these budgets in a more expedited manner than  
30 LFB.
- 31 • Transfer the responsibility for approving the investment  
32 in local unit bonds, and other obligations by other local  
33 units with a maturity date of no more than 397 days, from  
34 the Division of Investment in the Department of the  
35 Treasury to DLGS. DLGS is the State agency with  
36 primary responsibility to oversee local government  
37 finances, which includes bonding, and has particular  
38 expertise in that area. Thus, DLGS is better equipped to  
39 handle this responsibility than the Division of Investment.
- 40 • Transfer the responsibility for reviewing and approving  
41 fire district service contracts and project financing for  
42 voter-approved projects from LFB to either the Division  
43 of Fire Safety in DCA or the governing body of the  
44 municipality which the fire district serves. These are  
45 relatively small procurements approved by the voters who  
46 will pay for them, and review by either the Division of  
47 Fire Safety or the applicable municipality would be more  
48 appropriate.

- 1           • Allow LFB to adopt rules authorizing local authority  
2           bonded debt refundings to proceed without LFB review  
3           and approval if the refunding will result in savings.  
4           Requiring LFB review and approval of these refundings  
5           may delay bond issuances, which could potentially lead to  
6           higher costs for a local authority. Currently, other local  
7           governments may proceed with such refundings without  
8           LFB review.
- 9           • Eliminate DLGS review and approval of annual budgets  
10          of local authorities that are not fire districts and with less  
11          than \$500,000 in total budgeted operating appropriations,  
12          except for those with any outstanding debt obligations or  
13          an unrestricted net deficit in a fiscal year. LFB would be  
14          allowed to lower the threshold amount. This would  
15          eliminate DLGS oversight of local authorities with small  
16          budgets and no debt. These authorities present very low  
17          risk of insolvency or abusive spending. This would free  
18          DLGS resources to be spent on more time reviewing and  
19          monitoring the budgets of authorities whose finances are  
20          more likely to implicate State interests.
- 21          • Authorize the Director of DLGS to establish a three-year  
22          review cycle of authority budgets, as is currently allowed  
23          for municipal budgets.
- 24          • Authorize the Director of DLGS to determine who is a  
25          managerial executive employee for purposes of the "Local  
26          Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1  
27          et seq.). Currently, these determinations are subject to  
28          legal interpretation, which creates confusion among local  
29          governments. Authorizing DLGS to make these  
30          determinations would provide greater clarity and  
31          consistency in this process.
- 32          • Clarify that the Director of DLGS may establish an  
33          electronic filing system for financial disclosure  
34          statements required to be filed pursuant to the "Local  
35          Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1  
36          et seq.). Current law is subject to interpretation; and  
37          electronic filings, which are faster, cheaper, and more  
38          efficient, should be clearly authorized.
- 39          • Transfer the responsibility, from LFB to the Office of  
40          State Planning, to evaluate whether a project for which  
41          redevelopment area bonds are sought promotes traffic  
42          reduction, enhanced mobility, and further redevelopment.  
43          These are subject matters outside of the scope of LFB's  
44          expertise. The Office of State Planning, by contrast, has  
45          expertise in these matters and would provide a better  
46          evaluation. LFB's role in reviewing and approving  
47          redevelopment area bonds would be concentrated on a  
48          subject area within its expertise, namely the impact of the

- 1 debt issuance on a municipal applicant's financial  
2 stability.
- 3 • Eliminate the requirement that an urban renewal entity  
4 submit its audits to DLGS. DLGS does not have any  
5 oversight of these entities, and the filing requirement is an  
6 unnecessary mandate.
  - 7 • Eliminate the requirement that a copy of a financial  
8 agreement with an urban renewal entity, providing for a  
9 development or redevelopment with a long-term tax  
10 exemption, be filed with DLGS. DLGS does not review  
11 or approve these financial agreements and does not have  
12 any oversight of urban renewal entities, and the filing  
13 requirement is an unnecessary mandate.
  - 14 • Replace the Director of DLGS with an appointee of the  
15 director who has a registered municipal clerk certificate  
16 as a member of the State Records Committee. DLGS  
17 does not have expertise in the public records retention  
18 matters handled by the State Records Committee. By  
19 contrast, municipal clerks, as the records custodians of  
20 their respective municipalities, have such expertise.
  - 21 • Provide that LFB may only authorize fees charged for  
22 financings that are greater than 0.125% of the par value of  
23 bonds being issued by a two-thirds majority vote. Fees in  
24 excess of 0.125% tend to raise more funds than  
25 appropriate for the review of applications. Establishing a  
26 reasonable threshold would limit fees appropriately.
  - 27 • Require the Director of DLGS to maintain an Internet  
28 website which shows the amount of State aid for each  
29 municipality per parcel. This requirement would replace  
30 a paper-based data preparation requirement.
  - 31 • Transfer the responsibility to review and approve loans  
32 approved by the New Jersey Environmental Infrastructure  
33 Trust (NJEIT) from LFB to DLGS. DLGS routinely can  
34 review these loans in a more expedited manner than LFB.
  - 35 • Repeal outdated provisions concerning the issuance of  
36 registered municipal clerk certificates by the Director of  
37 DLGS. Subsequent laws have rendered these provisions  
38 no longer applicable.

39 This bill would affect local governments as follows:

- 40 • Eliminate the requirement that a local government seek a  
41 waiver from DLGS if a local government wishes to sell  
42 an abandoned vehicle at a public auction more than 90  
43 days after the local government takes possession of the  
44 vehicle. Ironically, this outdated requirement can slow  
45 the sale of vehicles contrary to the statutory intent.
- 46 • Allow local units to bond for passenger cars and station  
47 wagons. The current prohibition against such bonding  
48 has led some local units to pursue more expensive

- 1 alternatives, such as leasing these vehicles at high  
2 interest rates or bonding for sport-utility vehicles that are  
3 not needed.
- 4 • Allow municipalities that have issued qualified bonds to  
5 issue other bonds without needing DLGS approval unless  
6 otherwise required by law. Obtaining DLGS approval  
7 for these bonds, which normally do not require such  
8 approval, can be a significant expense for a municipality  
9 and may delay bond issuances and routine capital repairs,  
10 which could potentially lead to even higher costs for the  
11 municipality.
  - 12 • Eliminate the requirement that counties and  
13 municipalities make their budgets available for public  
14 inspection at public libraries. There is almost no public  
15 awareness of the availability of local budgets at public  
16 libraries, and individuals interested in viewing these  
17 budgets generally go to their county's or municipality's  
18 administration building instead. Additionally, local  
19 libraries can make budgets available to the public  
20 electronically if visitors request copies.
  - 21 • Allow a local unit, which has received the approval of  
22 LFB to exceed the appropriation cap in at least three  
23 consecutive years, to have its appropriation cap base  
24 adjusted to the amount approved in the next subsequent  
25 year if such approval is received from LFB in that year  
26 and LFB determines it is reasonable to no longer require  
27 future appropriation cap exception approvals. Obtaining  
28 LFB approval for these cap waivers can be an expense  
29 and cause needless delay for a municipality, and is  
30 unnecessary if the municipality has consistently received  
31 such waivers.
  - 32 • Require that the full membership of the governing body  
33 of a local authority review the Schedule of Findings and  
34 Questioned Costs sections of the local authority's annual  
35 audit. These sections contain significant findings that  
36 merit specific review by the local authority's governing  
37 body.
  - 38 • Allow a municipality to satisfy the requirement of having  
39 a chief financial officer through the temporary  
40 appointment of a private firm. The outdated restriction  
41 disallowing a firm to perform such function needlessly  
42 limits the availability of quality services that can help  
43 address a statewide shortage of qualified persons to serve  
44 as chief financial officers.
  - 45 • Clarify that time served as a temporary chief financial  
46 officer does not count as time served as a chief financial  
47 officer for purposes of acquiring tenure. This  
48 clarification codifies existing practice.

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- Allow a local unit to competitively contract for more services. Currently, a municipality must apply to DLGS for permission to competitively contract for the services added by the bill. Municipalities frequently request permission to competitively contract for these services and DLGS routinely grants these requests, and continuing case-by-case applications needlessly adds delay and costs to the procurement process.
  - Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq. This would allow for more public input and transparency with respect to such guarantees, which, like a bond, can place a substantial financial responsibility on a municipality.
  - Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company. This would allow, but not require, additional support for efficient service providers without creating a new level of government.
  - Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality. Property tax bills are often delayed because the State aid calculation cannot be made until the State budget is adopted. Such delay creates the risk of an interruption of a municipality's cash flow. Under the bill, these data would be available on the DLGS Internet website.
  - Repeal the outdated statutory provision that requires a municipality to canvass all dogs within the municipality.

ASSEMBLY STATE AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3791**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 18, 2015

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 3791.

As amended, this bill would eliminate several responsibilities of and reorganize the Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) and would also eliminate or revise several State law mandates on local governments. This bill would streamline the responsibilities of DLGS and local governments to allow these entities to focus more of their limited resources on their core functions.

As amended, the bill would affect DLGS as follows:

- Transfer the responsibility to review applications for the dissolution of or withdrawal from regional school districts from the board of review, on which the Director of DLGS sits, to the Commissioner of Education.
- Eliminate the requirement that a copy of an ordinance establishing a downtown business improvement zone within a special improvement district be filed with DLGS.
- Eliminate the requirement that a copy of an annual audit of a district management corporation, which operates a special improvement district, be filed with DLGS.
- Transfer the responsibility to review and approve municipal port authority budgets from the Local Finance Board (LFB), an agency within DLGS, to DLGS itself.
- Transfer the responsibility for approving the investment in local unit bonds, and other obligations by other local units with a maturity date of no more than 397 days, from the Division of Investment in the Department of the Treasury to DLGS.
- Allow LFB to adopt rules authorizing local authority bonded debt refundings to proceed without LFB review and approval if the refunding will result in debt service savings on outstanding debt.

- Authorize the Director of DLGS to establish a three-year review cycle of authority budgets, as is currently allowed for municipal budgets.
- Authorize the Director of DLGS to determine who is a managerial executive employee for purposes of the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Clarify that the Director of DLGS may establish an electronic filing system for financial disclosure statements required to be filed pursuant to the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Transfer the responsibility, from LFB to the Office of State Planning, to evaluate whether a project for which redevelopment area bonds are sought promotes traffic reduction, enhanced mobility, and further redevelopment.
- Eliminate the requirement that an urban renewal entity submit its audits to DLGS.
- Eliminate the requirement that a copy of a financial agreement with an urban renewal entity, providing for a development or redevelopment with a long-term tax exemption, be filed with DLGS.
- Provide that LFB may only authorize fees charged for financings that are greater than 0.125% of the par value of bonds being issued by a two-thirds majority vote.
- Require the Director of DLGS to maintain an Internet website which shows the amount of State aid for each municipality per parcel.
- Transfer the responsibility to review and approve loans approved by the New Jersey Environmental Infrastructure Trust (NJEIT) from LFB to DLGS.
- Authorize the Director of DLGS to extend the six month grace period for the renewal of expired certifications of DLGS-licensed professions for up to an additional six months in cases of a natural disaster that would have prevented the certificate holder from earning the required continuing education credits in time
- Repeal outdated provisions concerning the issuance of registered municipal clerk certificates by the Director of DLGS that no longer apply.

This bill would affect local governments as follows:

- Eliminate the requirement that a local government seek a waiver from DLGS if a local government wishes to sell an abandoned vehicle at a public auction more than 90 days after the local government takes possession of the vehicle.
- Eliminate the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the

debt maturity schedules have already been approved by the NJEIT.

- Allow municipalities that have issued qualified bonds to issue other bonds without needing DLGS approval unless otherwise required by law.
- Eliminate the requirement that counties and municipalities make their budgets available for public inspection at public libraries.
- Require that the full membership of the governing body of a local authority review the Schedule of Findings and Questioned Costs sections of the local authority's annual audit.
- Allow a municipality to satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for up to two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer, up from the maximum two consecutive one-year terms permitted under current law.
- Clarify that time served as a temporary chief financial officer does not count as time served as a chief financial officer for purposes of acquiring tenure.
- Allow a local unit to competitively contract for more services.
- Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq.
- Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company.
- Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality. Property tax bills are often delayed because the State aid calculation cannot be made until the State budget is adopted.
- Clarify that the statutory five percent down payment requirement for bonds issued by a local units does not apply to bond ordinances involving environmental infrastructure projects funded by loans from the NJEIT or the State through the Department of Environmental Protection (DEP).

- Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit. Current law only permits bidders to use a certified or cashier's or treasurer's check for a bid deposit.
- Modernize the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), in a manner consistent with the current economic climate by providing greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders in order to help ensure the attractiveness of these bonds to investors.
- Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 through 40A:65-35) and lay-off related unemployment costs incurred to the Department of Labor and Workforce Development.
- Allow the governing body of a local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.
- Repeal the outdated statutory provision that requires a municipality to canvass all dogs within the municipality.

As amended and reported by the committee, Assembly Bill No. 3791 is identical to Senate Bill No. 2454 (2R), which was also amended and reported by the committee on this date.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

- Maintain the current prohibition in the "Local Bond Law," N.J.S.40A:2-1 et seq. on local government bonding for the purchase of passenger cars and station wagons.
- Maintain responsibility for reviewing and approving fire district service contracts and project financing for voter-approved projects with the LFB instead of transferring responsibility to the Division of Fire Safety in DCA or the governing body of the municipality which the fire district serves.
- Maintain DLGS review and approval of annual budgets of non-fire district local authorities with less than \$500,000 in total budgeted operating appropriations.
- Eliminate the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the debt maturity schedules have already been approved by the NJEIT with language that conforms to the contemporary structure of NJEIT loans.

- Clarify that copies of county and municipal budgets must be made available upon request, and not just made available for public inspection.
- Preserve LFB appropriation cap exception approvals for local units that received the approval of LFB to exceed the appropriation cap in at least three consecutive years, and not provide such local units an appropriation cap base adjustment to avoid such approvals going forward.
- Clarify that the savings necessary for a local authority bonded debt refunding to proceed without LFB review and approval must be debt service savings on outstanding bond debt.
- Clarify that a municipality may only satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for no more than two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer for up to three consecutive one-year terms.
- Remove an amendment to the “Destruction of Public Records Law (1953)” P.L.1953, c.410, (C.47:3-15 et seq.) that replaced the DLGS Director with an appointee of the director who has a registered municipal clerk certificate.
- Clarify that the responsibility to review and approve loans approved by the NJEIT is transferred from LFB to DLGS, notwithstanding language in the “Local Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-1 et seq.) that might otherwise still require such LFB review and approval and clarify the provision with language that conforms to the contemporary structure of NJEIT loans.
- Clarify that the statutory five percent down payment requirement for bonds issued by local units does not apply to bond ordinances involving infrastructure projects funded by loans from the NJEIT or the State through the Department of Environmental Protection.
- Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit.
- Modernize the “Municipal Qualified Bond Act,” P.L.1976, c.38 (C.40A:3-1 et seq.), to provide greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders.
- Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the “Uniform

Shared Services and Consolidation Act,” P.L.2007, c.63 (C.40A:65-1 through 40A:65-35) and lay-off related unemployment costs incurred to the Department of Labor and Workforce Development.

- Authorize the Director of DLGS to extend the six-month grace period for the renewal of expired certifications of DLGS-licensed professionals for up to an additional six months in cases of a natural disaster or illness that would have prevented a certificate holder from earning the required continuing education credits in time.
- Allow the governing body of a local authority or other entity subject to the “Local Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 3791**

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2015

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3791 (1R).

This bill designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, eliminates several responsibilities of and reorganizes the Division of Local Government Services (DLGS) in the Department of Community Affairs (DCA) and eliminates or revises several State law mandates on local governments. This bill streamlines the responsibilities of DLGS and local governments.

The bill affects DLGS as follows:

- Transfer the responsibility to review applications for the dissolution of or withdrawal from regional school districts from the board of review, on which the Director of DLGS sits, to the Commissioner of Education.
- Eliminate the requirement that a copy of an ordinance establishing a downtown business improvement zone within a special improvement district be filed with DLGS.
- Eliminate the requirement that a copy of an annual audit of a district management corporation, which operates a special improvement district, be filed with DLGS.
- Transfer the responsibility to review and approve municipal port authority budgets from the Local Finance Board (LFB), an agency within DLGS, to DLGS itself.
- Transfer the responsibility for approving the investment in local unit bonds, and other obligations by other local units with a maturity date of no more than 397 days, from the Division of Investment in the Department of the Treasury to DLGS.
- Allow LFB to adopt rules authorizing local authority bonded debt refundings to proceed without LFB review and approval if the refunding will result in debt service savings on outstanding debt.
- Authorize the Director of DLGS to establish a three-year review cycle of authority budgets, as is currently allowed for municipal budgets.

- Authorize the Director of DLGS to determine who is a managerial executive employee for purposes of the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Clarify that the Director of DLGS may establish an electronic filing system for financial disclosure statements required to be filed pursuant to the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.).
- Transfer the responsibility, from LFB to the Office of State Planning, to evaluate whether a project for which redevelopment area bonds are sought promotes traffic reduction, enhanced mobility, and further redevelopment.
- Eliminate the requirement that an urban renewal entity submit its audits to DLGS.
- Eliminate the requirement that a copy of a financial agreement with an urban renewal entity, providing for a development or redevelopment with a long-term tax exemption, be filed with DLGS.
- Provide that LFB may only authorize fees charged for financings that are greater than 0.125% of the par value of bonds being issued by a two-thirds majority vote.
- Require the Director of DLGS to maintain an Internet website which shows the amount of State aid for each municipality per parcel.
- Transfer the responsibility to review and approve loans approved by the New Jersey Environmental Infrastructure Trust (NJEIT) from LFB to Director of DLGS.
- Authorize the Director of DLGS to extend the six month grace period for the renewal of expired certifications of DLGS-licensed professions for up to an additional six months in cases of a natural disaster that would have prevented the certificate holder from earning the required continuing education credits in time
- Repeal provisions concerning the issuance of registered municipal clerk certificates by the Director of DLGS that no longer apply.

Additionally, this bill affects local governments as follows:

- Eliminate the requirement that a local government seek a waiver from DLGS if a local government wishes to sell an abandoned vehicle at a public auction more than 90 days after the local government takes possession of the vehicle.
- Eliminate the requirement that local units receive LFB approval for non-conforming debt maturity schedules if the debt maturity schedules have already been approved by the NJEIT.
- Allow municipalities that have issued qualified bonds to issue other bonds without needing DLGS approval unless otherwise required by law.
- Eliminate the requirement that counties and municipalities make their budgets available for public inspection at public libraries.

- Require that the full membership of the governing body of a local authority review the Schedule of Findings and Questioned Costs sections of the local authority's annual audit.
- Allow a municipality to satisfy the requirement of having a chief financial officer through the temporary appointment of a private firm for up to two consecutive one-year terms.
- Allow a municipality to employ a temporary chief financial officer for up to three consecutive one-year terms, up from the maximum two consecutive one-year terms permitted under current law.
- Clarify that time served as a temporary chief financial officer does not count as time served as a chief financial officer for purposes of acquiring tenure.
  - Allow a local unit to competitively contract for more services.
  - Require a municipality to approve a guarantee of loans taken out by a redeveloper by an ordinance introduced, adopted, and published in the same manner as a bond ordinance under the "Local Bond Law," N.J.S.40A:2-1 et seq.
  - Allow a municipality to annually contribute more to a fire district or volunteer fire company. Specifically, a municipality would be allowed to contribute up to \$150,000 a year, and, in the case of a municipality with more than three boards of fire commissioners or volunteer fire companies, an additional \$50,000 a year for each such additional board or company.
  - Eliminate the requirement that property tax bills include the amount of State aid for the applicable municipality.
  - Clarify that the statutory five percent down payment requirement for bonds issued by a local units does not apply to bond ordinances involving environmental infrastructure projects funded by loans from the NJEIT or the State through the Department of Environmental Protection (DEP).
  - Clarify that bidders on local unit bonds may use cash delivered by wire or otherwise for a bid deposit. Current law only permits bidders to use a certified or cashier's or treasurer's check for a bid deposit.
  - Modernize the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), in a manner consistent with the current economic climate by providing greater assurance to investors that funds appropriated and set aside pursuant to that law will be limited to paying bondholders in order to help ensure the attractiveness of these bonds to investors.
  - Allow local units to make special emergency appropriations for the expenses of a consolidation commission established pursuant to the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35) and liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees.

- Allow the governing body of a local authority or other entity subject to the “Local Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-1 et seq.), including fire districts, to require direct deposit of pay for its employees.
- Repeal the statutory provision that requires a municipality to canvass all dogs within the municipality.

As reported, this bill is identical to Senate Bill No. 2454 (3R), as also reported by the committee.

**FISCAL IMPACT:**

The Office of Legislative Services estimates the bill will have an indeterminate impact on State and local finances. While enactment of the bill will relieve the DLGS of certain responsibilities, it is unlikely that this will significantly affect either the costs incurred by the DLGS for the administration of State law and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements. Counties and municipalities that choose to issue special emergency notes for newly authorized purposes under the bill will incur costs associated with debt issuance. Proposed changes to the “Municipal Qualified Bond Act” will allow select municipalities and local authorities to incur fewer costs for bond counsel and take advantage of lower interest rates. The bill also permits the DLGS and LFB to establish a rotating system for local authority budget review.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 3791

### STATE OF NEW JERSEY 216th LEGISLATURE

DATED: JUNE 30, 2015

#### SUMMARY

- Synopsis:** Streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Mandate Relief Act of 2015.
- Type of Impact:** Indeterminate impact on State and local finances.
- Agencies Affected:** Division of Local Government Services (Community Affairs), counties, municipalities, and local authorities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Revenue</b>	Indeterminate Impact – See comments below		
<b>Local Cost</b>	Indeterminate Impact – See comments below		

- The Office of Legislative Services (OLS) concludes that Assembly Bill No. 3791 (1R) when considered in its entirety, would have an indeterminate impact on State and local finances.
- It is unlikely that implementation of the bill would significantly affect either the costs incurred by the Division of Local Government Services for the administration State laws and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements.
- Counties and municipalities that choose to issue special emergency notes for newly authorized purposes under the bill will incur costs associated with debt issuance. The issuance of special emergency notes may also result in increased property taxes due to debt service costs.
- Proposed changes to the “Municipal Qualified Bond Law” and “Local Authorities Fiscal Control Law” would allow select municipalities and local authorities to incur fewer costs for bond counsel and take advantage of lower interest rates.

## **BILL DESCRIPTION**

Designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, Assembly Bill No. 3791 (1R) eliminates several responsibilities of, and reorganizes the DLGS in the Department of Community Affairs (DCA), and would also eliminate or revise several State law mandates on local governments. This bill would also streamline the responsibilities of DLGS and local governments.

Established in 1917 as the Department of Municipal Accounts (P.L.1917, c.154), the DLGS provides assistance to local governments and authorities in developing and strengthening managerial, planning, and financial competence. Most notably, the DLGS oversees and monitors compliance with local budgeting, debt, ethics, and finance laws, administers State Aid programs, assists distressed municipalities with financial and managerial support, and assists local governments and school districts with procurement regulation. The DLGS also assists with consolidation and shared services efforts, administers certification and continuing education programs for local officials, and oversees local government deferred compensation programs and length of service awards programs to volunteer fire and rescue personnel.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that Assembly Bill No. 3791 (1R), when considered in its entirety, would have an indeterminate impact on State and local finances. While enactment of this legislation would relieve the DLGS of certain responsibilities, it is unlikely that this would significantly affect either the costs incurred by the DLGS for the administration of State law and its discharge of statutory duties, or the costs incurred by local government units for complying with certain statutory requirements. This legislation also allows local governments with some additional flexibility related to those purposes for which special emergency notes may be issued, and provides additional assurances to the purchasers of municipal qualified bonds. The bill also permits the DLGS and Local Finance Board (LFB) to establish a rotating system for local authority budget review. This fiscal estimate will analyze the potential fiscal effects of specific sections of Assembly Bill No. 3791 (1R) in five areas: competitive contracting, general local government, local borrowing and bonding, municipal qualified bonds, and oversight of local authority finances.

#### **Competitive Contracting**

Section 25 of Assembly Bill No. 3791 (1R) amends section 1 of P.L.1999, c.440 (C40A:11-4.1) to permit the use of competitive contracting for the following services: maintenance, custodial, and groundskeeping; consulting; emergency medical billing; property appraisal; reassessment or revaluation; grant writing; and animal control. Competitive contracting may be used by local contracting units in lieu of public bidding for the procurement of specialized goods and services in excess of the bid threshold. It permits less detailed specifications through a request for proposals approach, and uses evaluation criteria and ranking of proposals to determine the contractor who is the most advantageous, price and other factors considered,

instead of an award to the lowest responsible bidder. Competitive contracting provides contracting units and boards of education with greater discretion in entering into contracts with qualified vendors than is permitted under the normal public bidding requirements. To the extent that extending the use of competitive contracting to the aforementioned services allows a local contracting unit to save costs and procure services in a more efficient manner, that unit will experience a reduction in costs. The duration of a contract awarded through the competitive contracting process may not exceed five years.

#### General Local Government

Section 10 of Assembly Bill No. 3791 (1R) amends section 22 of P.L.1984, c.151 (C.40:56-88) to eliminate the requirement that a district management corporation must file a certified duplicate copy of the annual audit of its books, accounts, and financial transactions with the DLGS director. A district management corporation is a nonprofit entity created by municipal ordinance, or incorporated pursuant to Title 15A of the New Jersey Statutes, and designated by municipal ordinance to receive funds collected by a special assessment levied within a special improvement district. These entities are granted only those powers authorized by State law and municipal ordinance. The OLS notes that the elimination of this filing requirement will not reduce the level of fiscal oversight over district management corporations.

The monitoring of district management corporation finances is primarily the responsibility of the governing body of the municipality that created the special improvement district. Section 18 of P.L.1984, c.151 (C.40:56-84) requires a district management corporation to submit a detailed annual budget for approval by resolution of the municipal governing body. The budget must contain a report which explains how the budget contributes to the goals and objectives of the special improvement district. The budget must be advertised in a newspaper circulating in the municipality and may not be adopted until a public hearing, at which interested persons may present objections to the budget, has been held. The governing body may amend the budget during or after the public hearing. A majority vote of the full membership of the governing body is required for adoption of the district management corporation's budget. The OLS notes that the annual audit of the district management corporation, and a report of its activities for the preceding fiscal year, must be submitted to the governing body of the municipality.

Sections 14 and 15 of Assembly Bill No. 3791 (1R) amend N.J.S.40A:4-8 and N.J.S.40A:4-10 to eliminate the requirement that a copy of the approved (introduced) and adopted budget for a county or municipality be made available for public inspection at the local library. Current law requires a county or municipality to make the adopted budget for the current year and three preceding years available on the local unit's website. If the local unit does not have a website, the budgets are posted on a special webpage maintained by the DLGS. People wishing to view the budget at the library could still do so through library computers.

Section 22 of Assembly Bill No. 3791 (1R) amends section 6 of P.L.1991, c.29 (C.40A:9-22.6) to permit the DLGS to establish an electronic system for the filing of financial disclosure statements in accordance with the "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.). The amendment would codify a filing procedure implemented by the DLGS in 2012. Through the issuance of Local Finance Notice No. 2012-8, the DLGS announced that annual financial disclosure statements would be filed electronically with the Local Finance Board. The DLGS stated that this initiative would save the State \$25,000 for costs associated with printing and mailing paper copies of the disclosure statement to local government officers. Although the DLGS experienced technical difficulties during the initial phase of this project, they have been corrected and electronic filing was used in 2013, 2014, and 2015.

Section 27 of Assembly Bill No. 3791 (1R) amends N.J.S.40A:14-34 to increase, from \$90,000 to \$150,000, the amount the governing body may annually raise and appropriate to a fire

district or volunteer fire company, and provides for biennial (every other year) inflation adjustments to the contribution limit. Section 27 also amends N.J.S.40A:14-34 to increase, from \$30,000 to \$50,000, the additional amount that may be annually raised for each district when a municipality has three or more fire districts or volunteer fire companies. Under current law, a municipality in which there are three fire districts or volunteer fire companies may raise and appropriate a maximum of \$180,000 annually; if the proposed increases are enacted into law, the maximum annual contribution would increase to \$300,000. The OLS notes that municipal contributions to fire districts and volunteer fire companies are not excluded from the limit on annual increases to the property tax levy.

Section 29 of Assembly Bill No. 3791 (1R) amends section 12 of P.L.1991, c.431 (C.40A:20-12) to eliminate the requirement that, upon the adoption of a financial agreement pursuant to the “Long Term Tax Exemption Law,” P.L.1991, c.431 (C.40A:20-1 et seq.), a municipality must transmit to the DLGS director a certified copy of the ordinance adopted by the governing body approving the tax exemption with the urban renewal entity. According to Local Finance Notice No. 2015-9, the “User-Friendly Budget” will include, for the prior year, information on taxable and tax-exempt properties, property tax appeals, and properties subject to the “Long-Term Tax Exemption Law” and the “Five-Year Exemption and Abatement Law,” P.L.1991, c.441 (C.40A:21-1 et seq.). For each municipality, the User-Friendly Budget report will display: 1) a list of projects (i.e. properties) subject to the “Long-Term Tax Exemption Law” and the aggregate impact of exemptions and abatements awarded to properties under the “Five-Year Exemption and Abatement Law”; 2) the taxable value of those projects; 3) the actual in lieu of tax revenue generated by those projects; and 4) the amount of tax revenue that would have been generated if those projects were subject to regular ad valorem taxation.

#### Local Borrowing and Bonding

Section 27 of Assembly Bill No. 3791 (1R) amends section 4 of P.L.2001, c.310 (C.40A:12A-67) to require that a municipal guarantee of loans taken out by a redeveloper pursuant to the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al.) must be approved in the same manner as a bond ordinance. Currently, these guarantees are effective only upon a resolution adopted by a majority of the full membership of the governing body. Because the “Local Bond Law” (N.J.S.40A:2-1 et seq.) requires a bond ordinance to be published, after introduction and adoption, in a newspaper circulating in the municipality, a municipality seeking to guarantee loans taken out by a redeveloper would incur a marginal increase in costs.

Section 39 of Assembly Bill No. 3791 (1R) amends N.J.S.40A:4-53 to authorize special emergency appropriations for: 1) authorized expenses of a consolidation commission established pursuant to the “Uniform Shared Services and Consolidation Act,” sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through 40A:65-35); and 2) liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees. Special emergency appropriations are supported by the proceeds raised through the sale of special emergency notes. Special emergency notes are short-term debt which may be issued for select purposes, such as the preparation of tax maps and the codification of municipal ordinances.

Consolidation commissions may incur expenses for the employment of temporary personnel, legal and consulting fees, and the printing of the final commission report. The OLS notes that neither the bill nor current law defines the term “authorized expenses.” The “Uniform Shared Services and Consolidation Act” does not provide a method for apportioning the costs of a consolidation commission amongst the municipalities involved and does not provide a procedure

for determining which expenses may be funded by special emergency notes. Municipalities must receive approval of the LFB to use the consolidation process established by P.L.2007, c.63. Presumably, municipalities will be required to provide information to the LFB on any costs they may incur and whether they will be funded through the issuance of short-term debt.

The DLGS has informally noted that most municipalities operate on a “pay-as-you-go” basis for the unemployment insurance fund. Under the pay-as-you-go option, municipal employees pay into the fund, but if unemployment insurance claims exceed the amount contributed by employees, the municipality must pay the difference. Employee layoffs generally occur when a municipality is experiencing fiscal distress. Municipalities that lay off employees incur additional costs associated with the payment of unemployment compensation. Allowing a municipality to authorize special emergency appropriations to pay its unemployment insurance liabilities would provide budget flexibility, allow the Department of Labor and Workforce Development to receive a lump-sum payment, and prevent the municipality from seeking Transitional Aid to Localities in order to alleviate its budget problems. The OLS notes that this change would permit municipalities to issue debt to fund what is generally considered a regular operating expenditure. Special emergency notes are considered debt and are excluded from increases in the cap on annual increases to the property tax levy. The issuance of debt for either of the aforementioned purposes may result in increased property taxes and municipal costs.

#### Municipal Qualified Bonds

The “Municipal Qualified Bond Act” P.L.1976, c.38 (C.40A:3-1 et seq.) is intended to strengthen the credit of fiscally distressed municipalities by allowing a municipality to pledge its anticipated revenue from certain State aid programs, such as Consolidated Municipal Property Tax Relief Aid (CMPTRA), to the payment of principal and interest on bonds. Municipalities must receive approval of the LFB to participate in the qualified bond program. Procedurally, the State Treasurer pays directly to a municipality’s paying agent, rather than to the municipality, a pre-determined amount of State aid for the purpose of making principal and interest payments on municipal bonds.

Section 13 of Assembly Bill No. 3791 (1R) amends section 4 of P.L.1976, c.38 (C.40A:3-4) to provide that municipalities in the qualified bond program do not have to appear before the LFB to receive State approval for any other debt, unless such approval is required by law. Municipalities in the qualified bond program incur bond counsel costs each time they have to appear before the LFB to receive approval for issuing debt. Because the LFB meets monthly, the delay could also jeopardize a municipality’s ability to access the best interest rates offered by the bond market. Eliminating State approval of non-qualified bond debt would save program participants costs related to bond counsel and debt interest payments.

The OLS notes that Qualified Bond Act municipalities would still be required to submit a Supplemental Debt Statement to the DLGS prior to the adoption of a bond ordinance. The Supplemental Debt Statement shows the municipality’s outstanding debt and is used to determine whether the municipality would exceed its statutory debt limit by issuing new debt. All municipalities must receive approval of the LFB to exceed the statutory debt limit of 3.5 percent of the average equalized value of all property in the municipality for the preceding three years.

#### Oversight of Local Authority Fiscal Affairs

The “Local Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-1 et seq.) established a comprehensive framework for State oversight of the fiscal affairs of local authorities and fire districts. Section 17 of Assembly Bill No. 3791 (1R) amends section 6 of P.L.1983, c.313 (C.40A:5A-6) to allow the LFB to adopt rules and regulations to permit local

authorities to issue refunding bonds without State approval if the financing will result in savings. Current law requires the LFB to approve the issuance of all refunding bonds by local authorities. The LFB has recently adopted rules (see N.J.A.C.5:30-2.5) allowing municipalities, counties, and school districts to issue refunding bonds without State approval under certain conditions (i.e., present value savings are at least three percent and debt savings are substantially level during the term of the refunding bonds). Local authorities would experience a reduction in bond counsel costs and may find it easier to obtain lower interest rates.

Section 10 of P.L.1983, c.313 (C.40A:5A-10) requires the DLGS to annually review and approve all local authority budgets prior to their adoption. Section 18 of Assembly Bill No. 3791 (1R) permits the LFB to exempt certain local authorities from annual budget review and provide for a system of local examination and approval by authority officials. The DLGS Director must: (1) find that authorities are fiscally sound and that their fiscal practices are conducted in accordance with the law and sound administrative practice; (2) examine the budgets of all local authorities at least once every three years; (3) the governing body and chief financial officer of each local authority must certify to the DLGS Director that they have examined the budget and determined that it complies with State law and regulations; (4) all budget documents required by State statute or regulation are filed with the DLGS Director on a timely basis; and (5) the local authority has complied with any other criteria adopted by the LFB.

The OLS notes that section 13 of P.L.1996, c.113 permits the DLGS director to establish a system of triennial approval for municipal budgets and a system of municipal examination and approval of such budgets by local officials, provided that the municipality is in compliance with all aspects of the "Local Budget Law," (N.J.S.40A:4-1 et seq.). In addition to complying with the "Local Budget Law," the municipality must satisfy 10 criteria related to its general fiscal health (see N.J.A.C.5:30-7.5). If the municipality fails to meet any one of these criteria, it must submit its budget for review by the DLGS. State regulations also provide that certain municipalities, such as those under State supervision or that qualify for urban aid, are not eligible to review their budgets locally (see N.J.A.C.5:30-7.4). Assembly Bill No. 3791 (2R) provides that the DLGS director may require immediate compliance with the "Local Authorities Fiscal Control Law" if he finds that exempting a local authority from State budget review would impair the authority's fiscal integrity or solvency.

*Section: Local Government*

*Analyst: Scott A. Brodsky  
Senior Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

## Governor Chris Christie Signs Bills To Expand Substance Abuse Recovery Efforts

Monday, August 10, 2015

Tags: [Addiction Taskforce](#)

### *Governor Christie Also Takes Action On Other Pending Legislation*

Trenton, NJ – Affirming the administration’s commitment to helping those impacted by drug abuse and addiction reclaim their lives, Governor Chris Christie has signed measures to further assist the treatment and recovery process.

“We remain firmly committed to confronting the stigma of drug abuse and addiction in the Garden State,” said Governor Christie. “The legislation I have signed continues our efforts on these important fronts by providing a substance abuse housing recovery program for impacted students at our public colleges and universities as well as allowing medication-assisted treatment as part of our larger drug court treatment programs. These measures are another bold step to help people reclaim their lives and I want to thank Senator Vitale for his advocacy on these issues.”

S-2377/A-3719 (Senators Barnes, Vitale/Assemblymembers Pinkin, Mukherji) requires four-year public colleges and universities to establish a substance abuse recovery housing program within four years. The college may designate a floor, wing, or other area within a dormitory for the program, rather than an entire dorm. The legislation applies to Rutgers New Brunswick, Ramapo College, The College of New Jersey, Montclair State University, Rowan University, and Richard Stockton College of New Jersey. The Rutgers New Brunswick campus already has implemented a similar policy. Additionally, in December, the College of New Jersey received grant funding to establish a recovery housing program.

“New Jersey created the nation’s first college-based recovery housing programs and they have been a great success. Now, with the Governor’s signature, many more New Jersey college students in recovery will have a much greater opportunity to maintain their sobriety and to succeed in school and in life,” said Senator Joseph F. Vitale.

The second bill, S-2381/A-3723 (Senators Lesniak, Vitale/Assemblymembers Conaway, Mukherjee, Sumter, and Jimenez), allows for the completion of a special probation drug court program with use of medication-assisted treatment (MAT). The legislation further clarifies that any urine test for drug or alcohol use conducted in the course of the drug court program that shows a positive result for an individual using medication-assisted treatment would not constitute a program violation unless the positive test result is for substances unrelated to the individual’s MAT. Through this bill, the treatment provider rather than a judge can now decide whether narcotic-based treatment should be permitted for convicted offenders who have been admitted to the Drug Court program for drug abuse.

“Medication assisted treatment for Drug Court attendees, like all other clinical decisions made by a provider for their patient, is a critical component in a person’s treatment and recovery plan. I thank the Governor for his support of this legislation and his continued leadership and support of Drug Court programs,” Vitale added.

**The Governor also took the following action on other pending legislation:**

#### **BILL SIGNINGS:**

**S-122/A-4149** (A.R. Bucco, Addiego/Angelini, Simon, Vainieri Huttle, Wimberly) – Expands number of safe havens for leaving newborn infants

**SCS for S-573/ACS for A-2443 (Smith, Sweeney/Burzichelli, Space, McHose)** – Establishes apprentice firearm hunting license and apprentice bow and arrow license

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**S-685/A-4306 (Lesniak, Whelan/Burzichelli, O'Scanlon)** – Reduces number of voters for whom person can serve as messenger; limits to three number of voted mail-in ballots transmittable by bearer; modifies conviction standard under vote by mail law

**S-736/ACS for A-3037, 2547, 3596, 2422 (T. Kean, Lesniak/Andrzejczak, Mukherji, Munoz, Lagana, Garcia, Jimenez, Dancer, Webber)** – Establishes crimes of dog fighting and leader of a dog fighting network, and updates crime of animal fighting; amends RICO concerning dog fighting

**S-756/A-3151 (Sarlo/Prieto, Jimenez)** – Creates sporting facility license governing sale of alcoholic beverages under certain circumstances

**S-1760/A-4212 (Allen, Ruiz, Turner/Vainieri Huttle, Angelini, Jasey)** – Recognizes American Sign Language as a world language for meeting high school graduation requirements

**S-1813/A-3123 (Whelan, Oroho/Burzichelli, Eustace, Andrzejczak, Mazzeo, Webber)** – Requires each State agency to review permits issued by agency and make necessary changes to expedite and facilitate permitting

**S-2003/ACS for A-4299 (Pou/Sumter, Mainor, Wimberly, Rodriguez-Gregg)** – Makes certain reforms to juvenile justice system

**S-2109/A-3344 (Oroho, O'Toole/McHose, Space)** – Clarifies that county sheriff may simultaneously hold position of emergency management coordinator

**S-2165/A-4374 (Cunningham, Pou/Sumter, Jasey)** – Requires Secretary of Higher Education to adopt new comprehensive master plan within six months and every seven years thereafter

**S-2377/A-3719 (Barnes, Vitale/Pinkin, Mukherji)** – Directs certain four-year public institutions of higher education to establish substance abuse recovery housing program

**SCS for S-2381/ACS for A-3723 (Lesniak, Vitale/Conaway, Mukherji, Sumter, Jimenez)** – Permits successful completion of special probation drug court program notwithstanding use of medication-assisted treatment

**S-2420/A-3838 (Smith, Bateman/McKeon, Eustace, Gusciora, Benson)** – Increases electric power net metering capacity threshold to 2.9 percent of total annual kilowatt-hours sold in State

**S-2454/A-3791 (Van Drew, Oroho/Stender, Auth, Andrzejczak, Clifton, Eustace, Garcia)** – Streamlines responsibilities of Division of Local Government Services and local governments; designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015

**S-2484/A-3845 (Codey, Turner/Jasey, Benson, Vainieri Huttle, McKeon)** – Requires DOE to conduct study on options and benefits of instituting later school start time in middle school and high school

**S-2508/A-3798 (Oroho, Whelan/McHose, Space)** – Authorizes certain county veteran identification cards to serve as proof of status for veteran designation on driver's license or identification card

**S-2559/A-4016 (Sweeney, Weinberg, O'Toole/Lagana, Mazzeo, Mosquera, Vainieri Huttle)** – Removes presumption of nonimprisonment in certain assault cases involving domestic violence victims; expands criminal coercion statute; revises Pretrial Intervention procedures in certain criminal cases

**SCS for S-2567/AS for A-4025 (Sweeney, Oroho, Smith, Greenstein, Thompson/Mazzeo, Andrzejczak, Space, McHose, Pinkin)** – Creates "Fishing Buddy License"

**S-2583/A-3836 (Allen, Bateman/Coughlin, Webber, Pinkin, Wilson, A.M. Bucco, Mukherji)** – Upgrades simple assault to aggravated assault if committed against certain law enforcement officers and employees because of job status

**S-2599/A-4121 (Bateman, Smith/Spencer, Schepisi)** – Provides certain definitions for biofuels under "Motor Fuel Tax Act"

**S-2825/A-4316 (Sweeney, Greenstein/Mazzeo)** – Increases efficiency and transparency in distribution of Superstorm Sandy aid money

**S-2995/A-3959 (Gordon/Eustace, Johnson, Caride, Vainieri Huttle)** – Revises requirements for establishment of central municipal courts

**S-3023/A-4558 (Ruiz, Oroho/McKeon, Spencer, Wimberly)** – Appropriates \$4,750,000 from various Green Acres funds for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes

**SJR-17/AJR-79 (Beck, T. Kean/Angelini, Vainieri Huttle, McKeon, Mosquera, Pinkin, Coughlin, Wimberly)** – Designates September of each year as "Hunger Action Month" in New Jersey

**SJR-40/AJR-44 (Beach, Doherty/Wilson, McHose, Mazzeo, Tucker, DeAngelo)** – Designates September as "Gold Star Mothers Appreciation Month"

**SJR-60/AJR-83 (Beach/DeAngelo, Space)** – Designates October of each year as "Lineman Appreciation Month"

**A-4559/S-3022 (McKeon, Spencer, Wimberly/Codey, Doherty)** – Appropriates \$88,592,361 from "Garden State Green Acres Preservation Trust Fund" and various Green Acres bond funds for local government open space acquisition and park development projects

**BILLS VETOED:**

**S-300/A-4119 (Rice, Greenstein/Jasey, Quijano, DeCroce, Sumter, Wimberly) – CONDITIONAL** – Establishes "New Jersey Out-of-School Time Advisory Commission" to review before-school, after-school, and summer programs

**S-1195/A-2659 (Vitale, Allen, Weinberg/Vainieri Huttie, Gusciora, Jasey, Mosquera, McKeon) – ABSOLUTE** - Revises procedure for issuance of amended birth certificate for person who has undergone change in sex

**S-1593/A-213 (Turner, Ruiz/Gusciora, Eustace, Jasey, Quijano, Wimberly, Muoio) – ABSOLUTE** – Establishes "Police Officer, Firefighter, Public School Teacher, Corrections Officer, and Sanitation Worker Home-buyer Assistance Act"; appropriates \$5 million

**S-1621/A-2926 (Sweeney, Barnes/Lagana, Coughlin, Mosquera, Webber, Pinkin, Danielsen) – CONDITIONAL** – Gives priority in training programs to long-term unemployed

**S-1857/A-2699 (Codey, Turner/Vainieri Huttie, Jasey, Caputo, Wimberly) – CONDITIONAL** – Establishes measures to deter steroid use among students; appropriates \$45,000 to DOE for New Jersey State Interscholastic Athletic Association testing of student-athletes for steroids and other performance enhancing substances

**S-2049/A-3635 (Rice/Tucker, Caputo) – ABSOLUTE** – Requires chairs of certain ward political party committees to have same rights and responsibilities as chairs of municipal political party committees; specifies certain cities not required to have municipal chairs

**S-2058/A-3738 (Lesniak/Diegnan, Sumter) – CONDITIONAL** – Authorizes establishment of three pilot recovery alternative high schools that provide high school education and substance dependency plan of recovery to test the effectiveness of this model

**S-2360/A-3593 (Madden, Holzapfel/Johnson, Lagana, Bramnick, Danielsen, Wimberly, Jimenez) – CONDITIONAL** – Requires notification of local law enforcement prior to expungement of certain mental health records of prospective firearms purchasers

**S-2489/ACS for A-3859 (Sweeney, Whelan, Oroho/Greenwald, Coughlin, Bramnick, Singleton, Rible, Lagana) - CONDITIONAL** – Permits public-private partnership agreements for certain building and highway infrastructure projects; provides for EDA oversight

**S-2784/A-3856 (Van Drew, Whelan/Andrzejczak, Johnson) – CONDITIONAL** – Provides maximum sales and use tax imposition amount for sales and uses of boats and vessels; establishes grace period for imposition of use tax on certain boats and vessels used by resident purchasers

**S-2787/A-4273 (Sweeney/Singleton, Burzichelli, Giblin, Wilson, Prieto, Wimberly) – CONDITIONAL** – Establishes vocational training pilot program in DOC; provides for inmate compensation for education and workforce training participation

**S-3100/A-4605 (Gordon, Greenstein/Wimberly, Lagana, Singleton, Mazzeo) – ABSOLUTE** – Requires State to pay its pension contributions on quarterly basis by August 1, November 1, February 1 and May 1 of each year

**S-3107/A-4606 (Sweeney, Greenstein/Prieto, Singleton) – ABSOLUTE** – Makes FY 2015 supplemental State appropriations totaling \$300,000,000 for prepayment of portion of FY 2016 employer contributions to State-administered public employee defined benefit retirement systems

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**Press Contact:**  
Brian Murray  
Nicole Sizemore  
609-777-2600



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Office of the Governor  
PO Box 001  
Trenton, NJ 08625  
609-292-6000