

18A:13-66 to 18A:13-81

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:13-66 to 18A:13-81 (Regional school district--
procedure for withdrawal)

LAWS OF: 1989

CHAPTER: 90

BILL NO: A10

SPONSOR(S): Kavanaugh and others

Date Introduced: Pre-filed

Committee: **Assembly:** Education

Senate: Education

Amended during passage: No

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Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes

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Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

RDV

P.L.1989, CHAPTER 90, *approved June 7, 1989*
1988 Assembly No. 10

1 AN ACT concerning education, authorizing and providing a
2 procedure for withdrawal from an all purpose regional district
3 and supplementing Title 18A of the New Jersey Statutes.

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

7 1. The governing body of any municipality constituting a part
8 of an all purpose regional district may, by resolution, apply to
9 the county superintendent of schools to investigate the
10 advisability of the withdrawal of the municipality from the all
11 purpose regional district.

12 2. The county superintendent shall, within 60 days after the
13 request, file with the governing bodies of the municipalities
14 constituting the all purpose regional district and the board of
15 education of the all purpose regional school district, a report
16 containing a statement of the current assets and operating
17 expenses of the all purpose regional district for the current year
18 and any financial, educational and other information that he
19 may deem necessary to enable the governing bodies and the
20 regional board of education to form an intelligent judgment as
21 to the advisability of the proposed withdrawal and its effect
22 upon the educational and financial condition of the withdrawing
23 municipality and the all purpose regional district and setting
24 forth the amount of indebtedness, if any, to be assumed by the
25 withdrawing municipality and the all purpose regional district,
26 calculated as hereinafter provided.

27 3. The county superintendent shall calculate the amount of
28 indebtedness to be assumed on the basis of the proportion which
29 the replacement cost of the buildings, grounds, furnishings,
30 equipment, and additions thereto of the all purpose regional
31 district situated in the withdrawing municipality bears to the

1 replacement cost of the buildings, grounds, furnishings,
2 equipment and additions thereto situated in the entire all
3 purpose regional district. The replacement cost shall be
4 determined according to rules prescribed by the Commissioner
5 of Education with the approval of the State board and in
6 accordance with recognized accounting practices.

7 4. The governing body of the withdrawing municipality may,
8 within 30 days after the filing of the report by the county
9 superintendent, petition the commissioner for permission to
10 submit to the legal voters of the withdrawing municipality and
11 the remaining municipalities within the all purpose regional
12 district the question whether or not it shall withdraw from the
13 all purpose regional district, and in the petition the governing
14 body may request any specific reduction or increase in the
15 amount of indebtedness to be assumed as set forth in the county
16 superintendent's report. Proof of the service of a copy of the
17 petition upon the municipal governing body of each constituent
18 municipality, the board of education of the all purpose regional
19 district, and the county superintendent, prior to the filing of the
20 petition, shall accompany the petition.

21 5. The governing body of any constituent municipality of the
22 all purpose regional district and the board of education of the all
23 purpose regional district shall, within 15 days after service of a
24 copy of the petition upon it, file an answer to the petition with
25 the commissioner and serve a copy of the answer upon the
26 governing body of every other constituent municipality and upon
27 the board of education of the all purpose regional district and
28 the county superintendent. The answer shall set forth matters
29 similar to those described in section 6 of this act.

30 6. Within 15 days after the filing of the answers to the
31 petition, the Commissioner of Education shall submit the
32 petition and answers to a board of review consisting of the
33 commissioner, as chairman, the State Treasurer or his designee
34 and the Director of the Division of Local Government Services
35 in the Department of Community Affairs, for a determination as
36 to whether or not the petition should be granted, and if so, the
37 amount of indebtedness, if any, to be assumed by the
38 withdrawing municipality and the all purpose regional district
39 upon approval of the legal voters of the withdrawing

1 municipality and the remaining constituent municipalities at a
2 special school election. The board of review shall consider the
3 effect of the proposed withdrawal upon the educational and
4 financial condition of the withdrawing municipality and the all
5 purpose regional district and shall schedule and hold a public
6 hearing on the petition upon the application of any interested
7 party. In considering the effect of the proposed withdrawal
8 upon the educational and financial condition of the withdrawing
9 and remaining municipalities the board of review shall:

a. Consent to the granting of the application;

11 b. Oppose the granting of the application because, if it is
12 granted:

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

15 (2) An efficient school system cannot be maintained in the all
16 purpose regional district or the withdrawing municipality
17 without excessive costs;

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

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

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

25 (1) The amount of indebtedness, together with all other
26 indebtedness of the constituent municipalities of the all purpose
27 regional district would be excessive;

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

31 (3) The amount of indebtedness is inequitable in relation to
32 the value of the property to be acquired by the all purpose
33 regional district and would materially impair the credit of the
34 constituent municipalities of the district, and the ability to pay
35 punctually the principal and interest of their debt and so supply
36 the essential educational facilities and public improvements and
37 services that might reasonably be anticipated would be required
38 of them. The board of review shall make its findings and
39 determination, by the recorded vote of at least two of the three

1 members of the board, within 60 days of the receipt of the
petition and answers.

3 7. If the application is granted, the county superintendent
shall, after conferring with the governing bodies of the
5 constituent municipalities of the regional district, fix a day and
a time for holding a special school election, at which time the
7 question whether or not the withdrawing municipality shall
withdraw from the all purpose regional district shall be
9 submitted to the legal voters of the withdrawing municipality
and to the legal voters within the remainder of the all purpose
11 regional district.

13 8. The amount of indebtedness to be assumed by the
withdrawing municipality and the effect of the indebtedness
upon the borrowing margin of the municipality and the
15 remaining municipalities within the all purpose regional district
shall be stated in the notices and advertisements of the special
17 school election and in the ballots to be used therein, and the
election shall be conducted and the results of the election shall
19 be determined in the manner prescribed by law for special
school elections in type II districts. The result shall be certified
21 within five days after the holding of the election to the county
superintendent, the governing bodies of the withdrawing
23 municipality and the constituent municipalities of the all
purpose regional district, and the board of education of the all
25 purpose regional district.

27 9. If the question is adopted at the special school election,
the withdrawal of the municipality initiating the proceeding
shall become effective and the municipality shall be constituted
29 a separate district upon a date to be decided by the
Commissioner of Education. The newly constituted district shall
31 be classified as provided pursuant to chapter 9 of Title 18A of
the New Jersey Statutes.

33 10. The members of the board of education of the all purpose
regional district shall continue in office until the withdrawal of
35 the municipality becomes effective. When the withdrawal takes
effect, the terms of those members of the regional board who
37 reside in the withdrawing municipality shall expire, and the
vacancies occurring shall be reapportioned among the remaining
39 municipalities and filled by appointment by the county

1 superintendent to serve until the next annual school election of
2 the all purpose regional district, at which time their successors
3 shall be elected in accordance with the reapportionment.

4 11. The members of the regional board who reside in the
5 withdrawing municipality shall be members of the first board of
6 education of the new district. They shall continue to serve as
7 members of the board of education of the new district until the
8 expiration of the respective terms for which they were elected
9 as members of the board of education of the all purpose regional
10 district. The number of additional members of the first board of
11 education required to complete full membership of the board
12 shall be appointed by the county superintendent to serve until
13 the next annual school election or, in the case of a type I
14 district, until the next annual appointment period of the new
15 district, at which time their successors shall be elected or
16 appointed.

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

25 Upon the assumption of title, each board shall also assume the
26 amount of the indebtedness of the original all purpose regional
27 district as determined by the board of review. The new district
28 shall pay to the regional board of education, at least five days
29 before it becomes due, the amount of the principal and interest
30 of the assumed indebtedness. The principal and interest shall be
31 paid by the regional board, together with the amount due on its
32 assumed indebtedness, at and when it becomes due and payable.

33 13. The county superintendent in a written report filed by
34 him at the end of the school year preceding that in which the
35 withdrawal becomes effective shall make a division of the assets
36 and liabilities between the new district and the remaining
37 district in the same manner as provided in N.J.S. 18A:8-24.

38 14. If as a result of the foregoing procedures an all purpose
39 regional district is left with only one constituent municipality,

1 the all purpose regional district shall be dissolved upon the
effective date of the withdrawal of the other constituent
3 municipalities, and the remaining constituent municipality shall
thenceforth be constituted a separate local school district and
5 governed by the laws applicable thereto. If all of the
municipalities withdraw from the all purpose regional district,
7 the all purpose regional district shall be dissolved upon the
effective date of the last withdrawal, and its assets and
9 liabilities shall devolve upon the respective withdrawing
municipalities in accordance with the division made by the
11 county superintendent as provided in section 13 of this act.

15. All employees of the all purpose regional district shall
13 continue in their respective positions in the new district and all
of their rights of tenure, seniority, pension, leave of absence and
15 other similar benefits shall be recognized and preserved and any
periods of prior employment in the all purpose regional district
17 shall count toward the acquisition of tenure to the same extent
as if the employment had been under the new district. Any
19 tenured employee in a school located in the new district who
desires to remain in the employ of the all purpose regional
21 district, and whose seniority under existing tenure laws so
permits, may apply for and shall be granted a transfer to a
23 position with the all purpose regional district for which he is
certified which is vacant, held by a tenured employee with less
25 seniority or by an employee without tenure. Applications for
these transfers shall be made within 45 days of the date of the
27 special school election at which the withdrawal was approved.

16. Nothing contained herein shall in any way affect the
29 rights of holders of any bonds issued by any district or
municipality affected by this act.

31 17. This act shall take effect immediately.

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EDUCATION

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Municipal Development

37 Provides a procedure by which a municipality may withdraw
from an all purpose regional school district.

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STATEMENT

3 This bill would establish a procedure by which a municipality
could withdraw from an all purpose regional district. This
5 procedure is similar to that provided for withdrawal from a
limited purpose regional school district (P.L. 1975, c. 360; C.
7 18A:13-51 et seq.).

Under the bill, the governing body of any municipality
9 constituting part of an all purpose regional district could request
that the county superintendent of schools investigate the
11 advisability of the municipality's withdrawal. No withdrawal
would be permissible without the approval of a board of review,
13 consisting of the Commissioner of Education, the State
Treasurer or his designee, and the Director of the Division of
15 Local Government Services in the Department of Community
Affairs. If the board of review consents, the question would
17 then be placed before the voters in the municipality proposing to
withdraw and before the voters of the other municipalities
19 which comprise the district. An affirmative vote in each of
these elections is necessary for the withdrawal to become
21 effective.

The bill also provides mechanisms for the allocation of debt,
23 property and personnel if a withdrawal is accomplished.

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EDUCATION

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Municipal Development

29 Provides a procedure by which a municipality may withdraw
from an all purpose regional school district.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 10

STATE OF NEW JERSEY

DATED: January 21, 1988

The Assembly Education Committee favorably reports Assembly Bill No. 10.

This bill would establish a procedure by which a municipality could withdraw from an all purpose regional district. This procedure is similar to that provided for withdrawal from a limited purpose regional school district (P.L. 1975, c. 360, C. 18A:13-51 et seq.).

Under the bill, the governing body of any municipality constituting part of an all purpose regional district could request that the county superintendent of schools investigate the advisability of the municipality's withdrawal. No withdrawal would be permissible without the approval of a board of review, consisting of the Commissioner of Education, the State Treasurer or his designee, and the Director of the Division of Local Government Services in the Department of Community Affairs. If the board of review consents, the question would then be placed before the voters in the municipality proposing to withdraw and before the voters of the other municipalities which comprise the district. An affirmative vote in each of these elections is necessary for the withdrawal to become effective.

The bill, which is identical to Assembly Bill No. 3660 OCR of 1987, also provides mechanisms for the allocation of debt, property and personnel if a withdrawal is accomplished.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

SENATE EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 10

STATE OF NEW JERSEY

DATED: MARCH 21, 1988

The Senate Education Committee favorably reports this bill without amendments.

This bill would establish a procedure by which a municipality could withdraw from an all purpose regional district. This procedure is similar to that provided for withdrawal from a limited purpose regional school district (P.L. 1975, c. 360, C. 18A:13-51 et seq.).

Under the bill, the governing body of any municipality constituting part of an all purpose regional district could request that the county superintendent of schools investigate the advisability of the municipality's withdrawal. No withdrawal would be permissible without the approval of a board of review, consisting of the Commissioner of Education, the State Treasurer or his designee, and the Director of the Division of Local Government Services in the Department of Community Affairs. In determining whether to permit the withdrawal, the board of review must take into consideration the educational and financial condition of the withdrawing municipality and the municipalities remaining in the regional.

If the board of review consents, the question would then be placed before the voters in the municipality proposing to withdraw and before the voters of the other municipalities which comprise the district. An affirmative vote in each of these elections is necessary for the withdrawal to become effective.

If withdrawal is agreed to, the bill provides for an interim board of education, consisting of members of the regional board who reside in the municipality and additional members appointed by the county superintendent. The bill also establishes mechanisms for the allocation of debt, property and personnel if a withdrawal is accomplished. Further, all employees are held harmless in the event of withdrawal, and all tenure, seniority, pension and similar rights and benefits are recognized and preserved.