

LEGISLATIVE HISTORY OF R.S.18A:8-4 thru 24
(Article 4 - Municipalities divided into two
or more municipalities)

L.1923 - C.155 - A424.

February 6 - Introduced by Loprete.
March 7 - Passed Assembly.
March 16 - Passed Senate.
March 22 - Approved Chapter 155.
Not amended during passage.
Statement (copy enclosed).

L.1953 - C.417 - A282.

February 16 - Introduced by Savage.
March 23 - Passed in Assembly.
June 22 - Passed in Senate.
August 17 - Returned to Assembly by Governor for
reconsideration and amendment as re-
commended (technical corrections).

September 10 - Re-enacted with recommended amendment
in both Assembly and Senate.

September 18 - Amended during passage (copy enclosed)
of original bill and Governor's
amendment).
*Approved
Chap 417*

18A:8-19 and 20 are new sections which date from Jan-
uary 11, 1968 when 18A was revised into 18A(L.1967,
Chapter 271).

No revisers' notes on these sections.

There were no revisers' notes at the time of the revi-
sion of 18 to 18A

Our newspaper clipping file does not date to 1953.

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ASSEMBLY, No. 424

(Supplement to P. L. 1909, Chap. 174.)

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 6, 1923.

By Mr. LOPRETE.

Referred to Committee on Education.

A SUPPLEMENT to an act entitled "An act to establish a thorough and efficient system of free public schools, and to provide for the maintenance, support and management thereof," approved October nineteenth, one thousand nine hundred and three.

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

1. Whenever in any school district of this State, which is composed of two or more municipalities, one or all of which change its or their name, it shall be lawful for the board of education of said school district, in its discretion, to adopt a new corporate title for said school district which shall contain the names of at least two of the municipalities in said school district, which new title shall not include the type of said municipalities such as (township, town, borough, etc., as the case may be); *provided, however,* that said change of corporate title be adopted by resolution passed by a two-thirds vote of the members of the board of education of said school district and with the approval of the Commissioner of Education of this State.

2. This act shall take effect immediately.

STATEMENT.

Permits boards of education in school districts of this State which are comprised of two or more municipalities to change their corporate titles where one of such municipalities in said school district has changed its corporate title.

ASSEMBLY, No. 282

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1953

By Mrs. SAVAGE

Referred to Committee on Education

AN ACT concerning the creation of new school districts, and supplementing chapter five of Title 18 of the Revised Statutes, and repealing sections 18:5-1 to 18:5-10, inclusive, of the Revised Statutes and "An act concerning education, and supplementing chapter five of Title 18 of the Revised Statutes," approved June thirteenth, one thousand nine hundred and fifty (P. L. 1950, c. 230).

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

1 1. Each township, city, incorporated town and borough shall be a separate
2 school district, except as hereinafter provided, but each incorporated village
3 shall remain and be a part of the school district in which it is situated at the
4 time of its incorporation.

5 Whenever a new municipality other than a city is created from parts of
6 two or more municipalities, such municipality shall be a separate school dis-
7 trict and shall be governed by chapter seven of Title 18 of the Revised Stat-
8 utes, except as otherwise provided. The several parts of the new municipality
9 shall remain and constitute parts of the several school districts until a board
10 of education shall have been appointed for the new school district. Such
11 board of education shall consist of nine persons who are legal residents of the
12 district. They shall be appointed by the county superintendent of schools
13 immediately upon the creation of the new municipality or as soon thereafter
14 is possible. The qualifications of the members so appointed shall be the same

15 as those required for members of the boards of education in other school
16 districts, except that the three years' residence requirement pursuant to sec-
17 tion 18:7-11 of the Revised Statutes shall be waived and be of no effect in
18 such school district until the fourth annual school meeting of the newly
19 created school district. The appointed members of the board of education
20 shall continue in office until the ensuing annual school meeting, at which time
21 the legal voters shall elect members of the board of education in the manner
22 provided in chapter seven of Title 18 of the Revised Statutes.

1 2. Whenever a municipality is divided into two or more municipalities,
2 such municipalities shall remain and constitute but one school district until
3 such time as the legal voters of one of such municipalities shall have deter-
4 mined by an election conducted, as provided in this act, that such municipality
5 shall be constituted a separate school district.

1 3. Any one of the municipalities constituting a school district under
2 section two of this act may by resolution request the county superintendent
3 of schools to make a study and investigation as to the advisability of consti-
4 tuting the municipality a separate school district. The county superintendent
5 shall within thirty days of the request for the study and investigation file
6 with the governing bodies of the municipalities within the school district and
7 with the board of education a report setting forth the amount of indebted-
8 ness, if any, to be assumed by each school district in the event of constituting
9 the municipality a separate school district, which amount shall be calculated
10 pursuant to section twelve of this act. He shall also include in his report
11 such financial, educational and other information as he may deem necessary
12 to enable the governing bodies and the board of education to form an intelli-
13 gent judgment as to the advisability of the proposed separation and the effect
14 thereof upon the educational and financial situation of the proposed new dis-
15 trict and the remaining district.

1 4. The governing body of the municipality which requested the study and
2 investigation may, within thirty days of the filing of the report required by
3 section three of this act, petition the Commissioner of Education for per-

4 mission to submit to the legal voters of the municipality the question whether
5 the municipality shall be constituted a separate school district. The petition
6 shall be accompanied with proof of service of a copy of the petition upon the
7 other municipality or municipalities in the school district, the board of educa-
8 tion of the district, and the county superintendent of schools.

1 5. The remaining municipality or municipalities in the school district or
2 the board of education shall, within fifteen days of the acknowledgment of the
3 proof of service, file an answer to the petition wherein it may either (a) con-
4 sent to the granting of the application; (b) oppose the same for the reason
5 that (1) an excessive debt burden will be imposed upon the remaining district,
6 that (2) an efficient school system cannot be maintained in the remaining
7 district without excessive cost, that (3) there will be insufficient pupils in the
8 remaining district to maintain a properly graded school system or (4) other
9 good cause; or (c) request that if the petition is granted, the amount of debt
10 which the remaining district would be required to assume according to the
11 formula prescribed in section twelve of this act be reduced for the reason that
12 (1) such an amount of indebtedness together with other indebtedness of the
13 municipality will be excessive, or that (2) it will require so great an expendi-
14 ture for debt service that sufficient funds will not be available for current
15 expenses without excessive taxation, or that (3) the amount of indebtedness
16 to be assumed under the proposed separation will materially impair the credit
17 of the municipality or the remaining school district to pay punctually the prin-
18 cipal and interest of its debt and to supply essential educational facilities and
19 public improvements and services the need for which may be reasonably
20 anticipated, and that (4) the amount of indebtedness to be assumed by the
21 district is inequitable taking into account the value of the property to be
22 acquired by the district. A copy of the answer shall be filed with the munici-
23 pality originating the request, the board of education, and the county superin-
24 tendent of schools. The petitioning municipality may likewise request in its
25 original petition a specific reduction in the amount of indebtedness to be
26 assumed by the proposed new district or may offer to assume a specific
27 increase in the amount of indebtedness.

1 6. Within fifteen days of the filing of the answers to the petition, the
2 Commissioner of Education shall submit the petitions and answers to a board
3 of review to consist of the Commissioner of Education as chairman, the Com-
4 missioner of the Department of Conservation and Development, and the
5 Director of the Division of Local Government in the Department of the Treas-
6 ury. Any interested parties shall be entitled to a hearing before the board
7 of review. The board of review shall consider the effect of the proposed
8 separation upon the educational and financial situations of both the new and
9 the remaining districts in the light of the considerations referred to in section
10 five of this act. Within sixty days of the receipt of petitions and answers,
11 the board of review shall, by a majority vote of its members, grant or deny
12 the petitions, and, if the petitions are granted, the board's determination shall
13 include the amount of indebtedness, if any, to be assumed by the remaining
14 and the new district, respectively.

1 7. If the application shall be granted, the county superintendent shall
2 fix, within thirty days, the day and time for holding a special election, at which
3 the question shall be submitted to the legal voters of the municipality whether
4 the municipality shall be constituted a separate school district. The posted
5 notices of the special election, newspaper advertisement, and the ballot re-
6 quired by law shall each disclose the amount of indebtedness to be assumed
7 by the proposed new district and the effect of such indebtedness upon the
8 borrowing margin of the municipality and the proposed new district. The
9 special election shall be conducted by the board of education of the school
10 district in the manner provided for the conduct of school elections by chapter
11 seven of Title 18 of the Revised Statutes. If the county superintendent of
12 schools shall ascertain from the statement received by him that the number
13 of votes cast at the election in favor of constituting the municipality a sepa-
14 rate school district exceeds the number of votes cast against the proposition,
15 he shall immediately notify the board of education of the results of the elec-
16 tion, and thereafter the municipality shall be a separate district.

1 8. When a new district is created, the children residing therein shall con-
2 tinue to attend the schools in which they are enrolled until the end of the then
3 current school year.

1 9. The board of education of the district from which the newly-created
2 district was set off, hereinafter referred to as the original district, shall have
3 control of all the schools and schoolhouses in both the newly-created district
4 and in the remaining district and shall, out of the appropriations theretofore
5 granted the board of education of the original district, pay the salaries of all
6 the teachers, janitors and other persons employed therein until the end of the
7 then current school year. The members of the board of education of the origi-
8 nal district shall continue in that office until the end of the then current school
9 year as members of that board whether they reside in the remaining district
10 or in the newly-created district. At the end of the current school year, all
11 books, documents and records shall be turned over to the board of education
12 of the new district or the remaining district, whichever has the larger or
13 largest amounts of taxable property as ascertained from the last published
14 report of the Director, Division of Taxation in the Department of the Treas-
15 ury.

1 10. Whenever a new district is created under section 18:5-3 of the Re-
2 vised Statutes, the members of the board of education of the original district
3 who reside in the area of the newly-created district shall be members of the
4 board of education of the newly-created district and the members of the board
5 of education of the original district who reside in the area not set off to the
6 newly-created district shall be members of the board of education of the re-
7 maining district. In each case such members shall continue in office as mem-
8 bers of the respective boards until the date or dates when their respective
9 terms of office would have expired as members of the board of education of
10 the original district. The county superintendent of schools shall appoint such
11 additional members of the board of education of the newly-created district
12 as shall be required to complete the full membership of the board of educa-
13 tion for that district, and shall likewise appoint such additional members

14 of the board of education of the remaining district as shall be required to
15 complete the full membership of the board of education for that district. In
16 each case such appointees shall serve only until the next election in the dis-
17 trict for members of the board of education.

1 11. The name of the newly-created district shall be "The Board of Edu-
2 cation of the (township, town, borough or city, as the case may be, wherein
3 the school district is situate) of (here insert the name of the municipality) in
4 the county of " and the name of the remaining district
5 shall be "The Board of Education of the (township, town, borough or city,
6 as the case may be, wherein the school district is situate) of (here insert the
7 name of the municipality) in the county of"

1 12. The board of education of the new district shall become vested, in its
2 corporate capacity, with the title to all school grounds and buildings, includ-
3 ing the furnishings and equipment thereof, in the district. Except as the lia-
4 bility is modified by the action of the Board of Review, pursuant to section
5 six of this act, it shall assume the liability for the amount of indebtedness of
6 the original school district in the ration which the original cost of the build-
7 ings, including grounds, furnishings and equipment, plus any additions
8 thereto, in the newly-created district, bears to the original cost of the school
9 buildings, including grounds, furnishings and equipment, plus any additions
10 thereto, in the whole original district.

11 Any indebtedness which has been incurred, or authorized but not yet in-
12 curred, for the purchase of land or improvement of land or for the erection,
13 alteration, repair or furnishing of a schoolhouse shall be treated as if the
14 bonds or notes had actually been issued. In fixing the amount of indebted-
15 ness to be assumed the amount of indebtedness authorized shall be deemed to
16 be the original cost. The original cost shall be determined according to rules
17 and regulations which shall be prescribed by the Commissioner of Education
18 with the approval of the State Board of Education, and shall be in accordance
19 with recognized accounting practices.

1 13. The board of education of the original district shall continue to pay
2 the principal and interest of the indebtedness to be assumed by the newly-
3 created district and shall bill the new district as the same becomes due. The
4 board of education of the original district may, if necessary, maintain an
5 action therefor against the board of education of the new district.

1 14. Whenever a new school district is created, the county superintendent
2 of schools of the county in which it is situated, at the end of the then current
3 school year, shall make between the new district and the remaining district
4 a division of the assets, (excepting school buildings, grounds, furnishings
5 and equipment), and of the liabilities (other than the bonded indebtedness
6 of the original district), from which the new district was created. In deter-
7 mining the amount of assets to be divided, the county superintendent shall
8 take into account the present value of school books, supplies, fuel, motor
9 vehicles, and all personal property other than furnishings and equipment;
10 *provided*, that, in the case of any vehicle used for the transportation of school
11 children, the original cost of the vehicle, minus any State aid apportioned
12 therefor shall be deemed to be the present value.

1 15. The division of assets and liabilities provided for in this act shall be
2 made on the basis of the ratables in the respective district on which the last
3 school tax was levied and shall be made as directed by the county superin-
4 tendent in a written report signed by him.

1 16 Sections 18:5-1 to 18:5-10, inclusive, of the Revised Statutes, and "An
2 act concerning education, and supplementing chapter five of Title 18 of the
3 Revised Statutes," approved June thirteenth, one thousand nine hundred and
4 fifty, are repealed.

1 17. This act shall take effect July first, one thousand nine hundred and
2 fifty-four.

STATEMENT

Whenever a municipality is divided into two or more municipalities, such municipalities continue to comprise one school district until one of the municipalities is constituted a separate school district by referendum. This bill establishes procedures for constituting one of the municipalities a new school district and prescribes a method for determining the amount of indebtedness of the existing school district, if any, to be assumed by the new district and the remaining part of the original district.

The procedures prescribed in this bill are in accord with the home rule tradition of the State that local municipalities and school districts should be permitted to exercise a maximum degree of control of their own affairs subject only to the minimum amount of State supervision necessary to safeguard the financial credit and the educational efficiency of such municipalities and school districts.

The Legislature has a constitutional mandate to provide for the maintenance and support of a thorough and efficient school system. This bill would prevent the formulation of a school district too weak and inefficient to carry out this mandate. The Legislature has prescribed limitations on the authority of municipalities and school districts to incur indebtedness in order to safeguard their credit. This bill would insure that such limitations will not be exceeded as a result of constituting a new school district.

Provision is made for a careful study of the educational and financial effects of a proposed separation before any action is taken. Before a referendum may be held, the separation proposed must be reviewed by a board of review consisting of the Commissioner of Education, the Commissioner of the Department of Conservation and Development, and the Director of the Division of Local Government in the Department of the Treasury. This board is given discretion to grant or deny any application for permission to hold a referendum on the proposal.

Standards are established in the bill to circumscribe the discretion of the board in order to protect an applicant against an arbitrary determination.

Full opportunity is afforded for all parties in interest to be heard. The board cannot deny an application for a referendum unless it reaches the conclusion that the credit of either municipality would be impaired or the educational system of either school district would be made inefficient by the proposed separation.

By the terms of the bill, the new district becomes vested with the title to all lands and buildings in the district, including the furnishings and equipment thereof. It must be assumed the liability for the amount of indebtedness of the original district in the ratio which the original cost of the property acquired bears to the original cost of the school property in the whole original district. Experience has demonstrated that no formula can be devised to accomplish an equitable apportionment of the indebtedness in the varied situations which arise. Accordingly, the bill gives the board of review discretion to modify, in the interest of equity, the proportion of indebtedness to be assumed by the district.

Provisions are made to guarantee that the necessary information will be made available to enable the municipal bodies concerned and the electorate to form an intelligent judgment as to the advisability of the proposed separation. Whenever a referendum is held on a separation proposal, the posted notices of the special election, the newspaper advertisement and the ballot must disclose the amount of indebtedness to be assumed by the proposed new district and the effect of such indebtedness upon the borrowing margin of the municipality and the proposed new district.

The following purposes would be accomplished by the enactment of the proposed legislation:

1. All existing statutes relating to constituting a municipality a separate school district would be repealed and their best features along with desirable changes would be integrated into one law. The present legislation was enacted in a piecemeal manner to meet specific situations. A statute designed to solve a problem in one situation created a problem in another situation. Each new act was a supplement rather than an amendment. This series of supplements has presented difficulties in statutory construction which emphasizes the desirability of a new approach.

2. Legitimate rights to home rule would be preserved. At the same time, the creation of weak and inefficient school districts would be discouraged. Hasty and ill-advised separations based upon inaccurate and insufficient information would be prevented.

3. The debt limitation laws would be strengthened. Under existing law, it is possible, in cases of separation, for the debt limitations of municipalities and school districts to be exceeded without the supervision and control now exercised in other cases by the Commissioner of Education and the Division of Local Government. This loophole would be closed by the proposed legislation for the reason that the debt limitations caused by the separation would be subject to scrutiny and control by the board of review.

4. A method would be provided for an equitable division of the indebtedness between the remaining and new districts.

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ASSEMBLY, No. 282

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1953

By Mrs. SAVAGE

Referred to Committee on Education

AN ACT concerning the creation of new school districts, and supplementing chapter five of Title 18 of the Revised Statutes, and repealing sections 18:5-1 to 18:5-10, inclusive, of the Revised Statutes and "An act concerning education, and supplementing chapter five of Title 18 of the Revised Statutes," approved June thirteenth, one thousand nine hundred and fifty (P. L. 1950, c. 230).

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

1 1. Each township, city, incorporated town and borough shall be a separate
2 school district, except as hereinafter provided, but each incorporated village
3 shall remain and be a part of the school district in which it is situated at the
4 time of its incorporation.

5 Whenever a new municipality other than a city is created from parts of
6 two or more municipalities, such municipality shall be a separate school dis-
7 trict and shall be governed by chapter seven of Title 18 of the Revised Stat-
8 utes, except as otherwise provided. The several parts of the new municipality
9 shall remain and constitute parts of the several school districts until a board
10 of education shall have been appointed for the new school district. Such
11 board of education shall consist of nine persons who are legal residents of the
12 district. They shall be appointed by the county superintendent of schools
13 immediately upon the creation of the new municipality or as soon thereafter
14 is possible. The qualifications of the members so appointed shall be the same

15 as those required for members of the boards of education in other school
 16 districts, except that the three years' residence requirement pursuant to sec-
 17 tion 18:7-11 of the Revised Statutes shall be waived and be of no effect in
 18 such school district until the fourth annual school meeting of the newly
 19 created school district. The appointed members of the board of education
 20 shall continue in office until the ensuing annual school meeting, at which time
 21 the legal voters shall elect members of the board of education in the manner
 22 provided in chapter seven of Title 18 of the Revised Statutes.

1 2. Whenever a municipality is divided into two or more municipalities,
 2 such municipalities shall remain and constitute but one school district until
 3 such time as the legal voters of one of such municipalities shall have deter-
 4 mined by an election conducted, as provided in this act, that such municipality
 5 shall be constituted a separate school district.

1 3. Any one of the municipalities constituting a school district under
 2 section two of this act may by resolution request the county superintendent
 3 of schools to make a study and investigation as to the advisability of consti-
 4 tuting the municipality a separate school district. The county superintendent
 5 shall within thirty days of the request for the study and investigation file
 6 with the governing bodies of the municipalities within the school district and
 7 with the board of education a report setting forth the amount of indebted-
 8 ness, if any, to be assumed by each school district in the event of constituting
 9 the municipality a separate school district, which amount shall be calculated
 10 pursuant to section twelve of this act. He shall also include in his report
 11 such financial, educational and other information as he may deem necessary
 12 to enable the governing bodies and the board of education to form an intelli-
 13 gent judgment as to the advisability of the proposed separation and the effect
 14 thereof upon the educational and financial situation of the proposed new dis-
 15 trict and the remaining district.

1 4. The governing body of the municipality which requested the study and
 2 investigation may, within thirty days of the filing of the report required by
 3 section three of this act, petition the Commissioner of Education for per-

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4 mission to submit to the legal voters of the municipality the question whether
5 the municipality shall be constituted a separate school district. The petition
6 shall be accompanied with proof of service of a copy of the petition upon the
7 other municipality or municipalities in the school district, the board of educa-
8 tion of the district, and the county superintendent of schools.

1 5. The remaining municipality or municipalities in the school district or
2 the board of education shall, within fifteen days of the acknowledgment of the
3 proof of service, file an answer to the petition wherein it may either (a) con-
4 sent to the granting of the application; (b) oppose the same for the reason
5 that (1) an excessive debt burden will be imposed upon the remaining district,
6 that (2) an efficient school system cannot be maintained in the remaining
7 district without excessive cost, that (3) there will be insufficient pupils in the
8 remaining district to maintain a properly graded school system or (4) other
9 good cause; or (c) request that if the petition is granted, the amount of debt
10 which the remaining district would be required to assume according to the
11 formula prescribed in section twelve of this act be reduced for the reason that
12 (1) such an amount of indebtedness together with other indebtedness of the
13 municipality will be excessive, or that (2) it will require so great an expendi-
14 ture for debt service that sufficient funds will not be available for current
15 expenses without excessive taxation, or that (3) the amount of indebtedness
16 to be assumed under the proposed separation will materially impair the credit
17 of the municipality or the remaining school district to pay punctually the prin-
18 cipal and interest of its debt and to supply essential educational facilities and
19 public improvements and services the need for which may be reasonably
20 anticipated, and that (4) the amount of indebtedness to be assumed by the
21 district is inequitable taking into account the value of the property to be
22 acquired by the district. A copy of the answer shall be filed with the munici-
23 pality originating the request, the board of education, and the county superin-
24 tendent of schools. The petitioning municipality may likewise request in its
25 original petition a specific reduction in the amount of indebtedness to be
26 assumed by the proposed new district or may offer to assume a specific
27 increase in the amount of indebtedness.

1 6. Within fifteen days of the filing of the answers to the petition, the
2 Commissioner of Education shall submit the petitions and answers to a board
3 of review to consist of the Commissioner of Education as chairman, the Com-
4 missioner of the Department of Conservation and Development, and the
5 Director of the Division of Local Government in the Department of the Treas-
6 ury. Any interested parties shall be entitled to a hearing before the board
7 of review. The board of review shall consider the effect of the proposed
8 separation upon the educational and financial situations of both the new and
9 the remaining districts in the light of the considerations referred to in section
10 five of this act. Within sixty days of the receipt of petitions and answers,
11 the board of review shall, by a majority vote of its members, grant or deny
12 the petitions, and, if the petitions are granted, the board's determination shall
13 include the amount of indebtedness, if any, to be assumed by the remaining
14 and the new district, respectively.

1 7. If the application shall be granted, the county superintendent shall
2 fix, within thirty days, the day and time for holding a special election, at which
3 the question shall be submitted to the legal voters of the municipality whether
4 the municipality shall be constituted a separate school district. The posted
5 notices of the special election, newspaper advertisement, and the ballot re-
6 quired by law shall each disclose the amount of indebtedness to be assumed
7 by the proposed new district and the effect of such indebtedness upon the
8 borrowing margin of the municipality and the proposed new district. The
9 special election shall be conducted by the board of education of the school
10 district in the manner provided for the conduct of school elections by chapter
11 seven of Title 18 of the Revised Statutes. If the county superintendent of
12 schools shall ascertain from the statement received by him that the number
13 of votes cast at the election in favor of constituting the municipality a sepa-
14 rate school district exceeds the number of votes cast against the proposition,
15 he shall immediately notify the board of education of the results of the elec-
16 tion, and thereafter the municipality shall be a separate district.

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2 tinue to attend the schools in which they are enrolled until the end of the then
3 current school year.

1 9. The board of education of the district from which the newly-created
2 district was set off, hereinafter referred to as the original district, shall have
3 control of all the schools and schoolhouses in both the newly-created district
4 and in the remaining district and shall, out of the appropriations theretofore
5 granted the board of education of the original district, pay the salaries of all
6 the teachers, janitors and other persons employed therein until the end of the
7 then current school year. The members of the board of education of the origi-
8 nal district shall continue in that office until the end of the then current school
9 year as members of that board whether they reside in the remaining district
10 or in the newly-created district. At the end of the current school year, all
11 books, documents and records shall be turned over to the board of education
12 of the new district or the remaining district, whichever has the larger or
13 largest amounts of taxable property as ascertained from the last published
14 report of the Director, Division of Taxation in the Department of the Treas-
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1 10. Whenever a new district is created under section 18:5-3 of the Re-
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3 who reside in the area of the newly-created district shall be members of the
4 board of education of the newly-created district and the members of the board
5 of education of the original district who reside in the area not set off to the
6 newly-created district shall be members of the board of education of the re-
7 maining district. In each case such members shall continue in office as mem-
8 bers of the respective boards until the date or dates when their respective
9 terms of office would have expired as members of the board of education of
10 the original district. The county superintendent of schools shall appoint such
11 additional members of the board of education of the newly-created district
12 as shall be required to complete the full membership of the board of educa-
13 tion for that district, and shall likewise appoint such additional members

14 of the board of education of the remaining district as shall be required to
15 complete the full membership of the board of education for that district. In
16 each case such appointees shall serve only until the next election in the dis-
17 trict for members of the board of education.

1 11. The name of the newly-created district shall be "The Board of Edu-
2 cation of the (township, town, borough or city, as the case may be, wherein
3 the school district is situate) of (here insert the name of the municipality) in
4 the county of " and the name of the remaining district
5 shall be "The Board of Education of the (township, town, borough or city,
6 as the case may be, wherein the school district is situate) of (here insert the
7 name of the municipality) in the county of"

1 12. The board of education of the new district shall become vested, in its
2 corporate capacity, with the title to all school grounds and buildings, includ-
3 ing the furnishings and equipment thereof, in the district. Except as the lia-
4 bility is modified by the action of the Board of Review, pursuant to section
5 six of this act, it shall assume the liability for the amount of indebtedness of
6 the original school district in the ratio which the original cost of the build-
7 ings, including grounds, furnishings and equipment, plus any additions
8 thereto, in the newly-created district, bears to the original cost of the school
9 buildings, including grounds, furnishings and equipment, plus any additions
10 thereto, in the whole original district.

11 Any indebtedness which has been incurred, or authorized but not yet in-
12 curred, for the purchase of land or improvement of land or for the erection,
13 alteration, repair or furnishing of a schoolhouse shall be treated as if the
14 bonds or notes had actually been issued. In fixing the amount of indebted-
15 ness to be assumed the amount of indebtedness authorized shall be deemed to
16 be the original cost. The original cost shall be determined according to rules
17 and regulations which shall be prescribed by the Commissioner of Education
18 with the approval of the State Board of Education, and shall be in accordance
19 with recognized accounting practices.

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1 13. The board of education of the original district shall continue to pay
 2 the principal and interest of the indebtedness to be assumed by the newly-
 3 created district and shall bill the new district as the same becomes due. The
 4 board of education of the original district may, if necessary, maintain an
 5 action therefor against the board of education of the new district.

1 14. Whenever a new school district is created, the county superintendent
 2 of schools of the county in which it is situated, at the end of the then current
 3 school year, shall make between the new district and the remaining district
 4 a division of the assets, (excepting school buildings, grounds, furnishings
 5 and equipment), and of the liabilities (other than the bonded indebtedness
 6 of the original district), from which the new district was created. In deter-
 7 mining the amount of assets to be divided, the county superintendent shall
 8 take into account the present value of school books, supplies, fuel, motor
 9 vehicles, and all personal property other than furnishings and equipment;
 10 *provided*, that, in the case of any vehicle used for the transportation of school
 11 children, the original cost of the vehicle, minus any State aid apportioned
 12 therefor shall be deemed to be the present value.

1 15. The division of assets and liabilities provided for in this act shall be
 2 made on the basis of the ratables in the respective district on which the last
 3 school tax was levied and shall be made as directed by the county superin-
 4 tendent in a written report signed by him.

1 16 Sections 18:5-1 to 18:5-10, inclusive, of the Revised Statutes, and "An
 2 act concerning education, and supplementing chapter five of Title 18 of the
 3 Revised Statutes," approved June thirteenth, one thousand nine hundred and
 4 fifty, are repealed.

1 17. This act shall take effect July first, one thousand nine hundred and
 2 fifty-four.

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 282

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1953

By Mrs. SAVAGE

Referred to Committee on Education

AN ACT concerning the creation of new school districts, and supplementing chapter five of Title 18 of the Revised Statutes, and repealing sections 18:5-1 to 18:5-10, inclusive, of the Revised Statutes and "An act concerning education, and supplementing chapter five of Title 18 of the Revised Statutes," approved June thirteenth, one thousand nine hundred and fifty (P. L. 1950, c. 230).

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

1 1. Each township, city, incorporated town and borough shall be a separate
2 school district, except as hereinafter provided, but each incorporated village
3 shall remain and be a part of the school district in which it is situated at the
4 time of its incorporation.

5 Whenever a new municipality other than a city is created from parts of
6 two or more municipalities, such municipality shall be a separate school dis-
7 trict and shall be governed by chapter seven of Title 18 of the Revised Stat-
8 utes, except as otherwise provided. The several parts of the new municipality
9 shall remain and constitute parts of the several school districts until a board
10 of education shall have been appointed for the new school district. Such
11 board of education shall consist of nine persons who are legal residents of the
12 district. They shall be appointed by the county superintendent of schools
13 immediately upon the creation of the new municipality or as soon thereafter
14 as possible. The qualifications of the members so appointed shall be the same

15 as those required for members of the boards of education in other school
 16 districts, except that the three years' residence requirement pursuant to sec-
 17 tion 18:7-11 of the Revised Statutes shall be waived and be of no effect in
 18 such school district until the fourth annual school meeting of the newly
 19 created school district. The appointed members of the board of education
 20 shall continue in office until the ensuing annual school meeting, at which time
 21 the legal voters shall elect members of the board of education in the manner
 22 provided in chapter seven of Title 18 of the Revised Statutes.

1 2. Whenever a municipality is divided into two or more municipalities,
 2 such municipalities shall remain and constitute but one school district until
 3 such time as the legal voters of one of such municipalities shall have deter-
 4 mined by an election conducted, as provided in this act, that such municipality
 5 shall be constituted a separate school district.

1 3. Any one of the municipalities constituting a school district under
 2 section two of this act may by resolution request the county superintendent
 3 of schools to make a study and investigation as to the advisability of consti-
 4 tuting the municipality a separate school district. The county superintendent
 5 shall within thirty days of the request for the study and investigation file
 6 with the governing bodies of the municipalities within the school district and
 7 with the board of education a report setting forth the amount of indebted-
 8 ness, if any, to be assumed by each school district in the event of constituting
 9 the municipality a separate school district, which amount shall be calculated
 10 pursuant to section twelve of this act. He shall also include in his report
 11 such financial, educational and other information as he may deem necessary
 12 to enable the governing bodies and the board of education to form an intelli-
 13 gent judgment as to the advisability of the proposed separation and the effect
 14 thereof upon the educational and financial situation of the proposed new dis-
 15 trict and the remaining district.

1 4. The governing body of the municipality which requested the study and
 2 investigation may, within thirty days of the filing of the report required by
 3 section three of this act, petition the Commissioner of Education for per-

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4 mission to submit to the legal voters of the municipality the question whether
5 the municipality shall be constituted a separate school district. The petition
6 shall be accompanied with proof of service of a copy of the petition upon the
7 other municipality or municipalities in the school district, the board of educa-
8 tion of the district, and the county superintendent of schools.

1 5. The remaining municipality or municipalities in the school district or
2 the board of education shall, within fifteen days of the acknowledgment of the
3 proof of service, file an answer to the petition wherein it may either (a) con-
4 sent to the granting of the application; (b) oppose the same for the reason
5 that (1) an excessive debt burden will be imposed upon the remaining district,
6 that (2) an efficient school system cannot be maintained in the remaining
7 district without excessive cost, that (3) there will be insufficient pupils in the
8 remaining district to maintain a properly graded school system or (4) other
9 good cause; or (c) request that if the petition is granted, the amount of debt
10 which the remaining district would be required to assume according to the
11 formula prescribed in section twelve of this act be reduced for the reason that
12 (1) such an amount of indebtedness together with other indebtedness of the
13 municipality will be excessive, or that (2) it will require so great an expendi-
14 ture for debt service that sufficient funds will not be available for current
15 expenses without excessive taxation, or that (3) the amount of indebtedness
16 to be assumed under the proposed separation will materially impair the credit
17 of the municipality or the remaining school district to pay punctually the prin-
18 cipal and interest of its debt and to supply essential educational facilities and
19 public improvements and services the need for which may be reasonably
20 anticipated, and that (4) the amount of indebtedness to be assumed by the
21 district is inequitable taking into account the value of the property to be
22 acquired by the district. A copy of the answer shall be filed with the munici-
23 pality originating the request, the board of education, and the county superin-
24 tendent of schools. The petitioning municipality may likewise request in its
25 original petition a specific reduction in the amount of indebtedness to be
26 assumed by the proposed new district or may offer to assume a specific
27 increase in the amount of indebtedness.

1 6. Within fifteen days of the filing of the answers to the petition, the
 2 Commissioner of Education shall submit the petitions and answers to a board
 3 of review to consist of the Commissioner of Education as chairman, the Com-
 4 missioner of the Department of Conservation and Economic Development, and
 5 the Director of the Division of Local Government in the Department of the
 6 Treasury. Any interested parties shall be entitled to a hearing before the
 7 board of review. The board of review shall consider the effect of the proposed
 8 separation upon the educational and financial situations of both the new and
 9 the remaining districts in the light of the considerations referred to in section
 10 five of this act. Within sixty days of the receipt of petitions and answers,
 11 the board of review shall, by a majority vote of its members, grant or deny
 12 the petitions, and, if the petitions are granted, the board's determination shall
 13 include the amount of indebtedness, if any, to be assumed by the remaining
 14 and the new district, respectively.

1 7. If the application shall be granted, the county superintendent shall
 2 fix, within thirty days, the day and time for holding a special election, at which
 3 the question shall be submitted to the legal voters of the municipality whether
 4 the municipality shall be constituted a separate school district. The posted
 5 notices of the special election, newspaper advertisement, and the ballot re-
 6 quired by law shall each disclose the amount of indebtedness to be assumed
 7 by the proposed new district and the effect of such indebtedness upon the
 8 borrowing margin of the municipality and the proposed new district. The
 9 special election shall be conducted by the board of education of the school
 10 district in the manner provided for the conduct of school elections by chapter
 11 seven of Title 18 of the Revised Statutes. If the county superintendent of
 12 schools shall ascertain from the statement received by him that the number
 13 of votes cast at the election in favor of constituting the municipality a sepa-
 14 rate school district exceeds the number of votes cast against the proposition,
 15 he shall immediately notify the board of education of the results of the elec-
 16 tion, and thereafter the municipality shall be a separate district.

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1 8. When a new district is created, the children residing therein shall con-
2 tinue to attend the schools in which they are enrolled until the end of the then
3 current school year.

1 9. The board of education of the district from which the newly-created
2 district was set off, hereinafter referred to as the original district, shall have
3 control of all the schools and schoolhouses in both the newly-created district
4 and in the remaining district and shall, out of the appropriations theretofore
5 granted the board of education of the original district, pay the salaries of all
6 the teachers, janitors and other persons employed therein until the end of the
7 then current school year. The members of the board of education of the origi-
8 nal district shall continue in that office until the end of the then current school
9 year as members of that board whether they reside in the remaining district
10 or in the newly-created district. At the end of the current school year, all
11 books, documents and records shall be turned over to the board of education
12 of the new district or the remaining district, whichever has the larger or
13 largest amounts of taxable property as ascertained from the last published
14 report of the Director, Division of Taxation in the Department of the Treas-
15 ury.

1 10. Whenever a new district is created under section seven of this act,
2 the members of the board of education of the original district who re-
3 side in the area of the newly-created district shall be members of the
4 board of education of the newly-created district and the members of the board
5 of education of the original district who reside in the area not set off to the
6 newly-created district shall be members of the board of education of the re-
7 maining district. In each case such members shall continue in office as mem-
8 bers of the respective boards until the date or dates when their respective
9 terms of office would have expired as members of the board of education of
10 the original district. The county superintendent of schools shall appoint such
11 additional members of the board of education of the newly-created district
12 as shall be required to complete the full membership of the board of educa-
13 tion for that district, and shall likewise appoint such additional members

14 of the board of education of the remaining district as shall be required to
15 complete the full membership of the board of education for that district. In
16 each case such appointees shall serve only until the next election in the dis-
17 trict for members of the board of education.

1 11. The name of the newly-created district shall be "The Board of Edu-
2 cation of the (township, town, borough or city, as the case may be, wherein
3 the school district is situate) of (here insert the name of the municipality) in
4 the county of " and the name of the remaining district
5 shall be "The Board of Education of the (township, town, borough or city,
6 as the case may be, wherein the school district is situate) of (here insert the
7 name of the municipality) in the county of"

1 12. The board of education of the new district shall become vested, in its
2 corporate capacity, with the title to all school grounds and buildings, includ-
3 ing the furnishings and equipment thereof, in the district. Except as the lia-
4 bility is modified by the action of the Board of Review, pursuant to section
5 six of this act, it shall assume the liability for the amount of indebtedness of
6 the original school district in the ratio which the original cost of the build-
7 ings, including grounds, furnishings and equipment, plus any additions
8 thereto, in the newly-created district, bears to the original cost of the school
9 buildings, including grounds, furnishings and equipment, plus any additions
10 thereto, in the whole original district.

11 Any indebtedness which has been incurred, or authorized but not yet in-
12 curred, for the purchase of land or improvement of land or for the erection,
13 alteration, repair or furnishing of a schoolhouse shall be treated as if the
14 bonds or notes had actually been issued. In fixing the amount of indebted-
15 ness to be assumed the amount of indebtedness authorized shall be deemed to
16 be the original cost. The original cost shall be determined according to rules
17 and regulations which shall be prescribed by the Commissioner of Education
18 with the approval of the State Board of Education, and shall be in accordance
19 with recognized accounting practices.

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1 13. The board of education of the original district shall continue to pay
 2 the principal and interest of the indebtedness to be assumed by the newly-
 3 created district and shall bill the new district as the same becomes due. The
 4 board of education of the original district may, if necessary, maintain an
 5 action therefor against the board of education of the new district.

1 14. Whenever a new school district is created, the county superintendent
 2 of schools of the county in which it is situated, at the end of the then current
 3 school year, shall make between the new district and the remaining district
 4 a division of the assets, (excepting school buildings, grounds, furnishings
 5 and equipment), and of the liabilities (other than the bonded indebtedness)
 6 of the original district, from which the new district was created. In deter-
 7 mining the amount of assets to be divided, the county superintendent shall
 8 take into account the present value of school books, supplies, fuel, motor
 9 vehicles, and all personal property other than furnishings and equipment;
 10 *provided*, that, in the case of any vehicle used for the transportation of school
 11 children, the original cost of the vehicle, minus any State aid apportioned
 12 therefor shall be deemed to be the present value.

1 15. The division of assets and liabilities provided for in this act shall be
 2 made on the basis of the ratables in the respective district on which the last
 3 school tax was levied and shall be made as directed by the county superin-
 4 tendent in a written report signed by him.

1 16. Sections 18:5-1 to 18:5-10, inclusive, of the Revised Statutes, and
 2 "An act concerning education, and supplementing chapter five of Title 18 of
 3 the Revised Statutes," approved June thirteenth, one thousand nine hundred
 4 and fifty, are repealed.

1 17. This act shall take effect July first, one thousand nine hundred and
 2 fifty-four.

Accordingly, I am constrained to return Assembly Bill No. 266 without my approval.

Respectfully,

[SEAL]
Attest:

ALFRED E. DRISCOLL,
Governor.

RUSSELL E. WATSON, JR.,
Secretary to the Governor.

Mr. Thomas moved that the message be received and spread in full upon the Minutes.

Which motion was adopted.

The Clerk read the following message from the Governor:

STATE OF NEW JERSEY, }
EXECUTIVE DEPARTMENT, }
August 17, 1953.]

ASSEMBLY BILL No. 282

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 (b) of the State Constitution, I am returning herewith, for reconsideration and with my objections, Assembly No. 282.

This bill has the laudable purpose of establishing sound procedures to be applied in the formation of new school districts. In order to properly effectuate the objectives of the measure, however, it is necessary to first correct certain obvious technical errors which appear in it.

Accordingly, I am returning herewith Assembly Bill No. 282, for reconsideration and with the recommendation that amendments to the bill (Official Copy Reprint) be made as follows:

On page 1, section 1, line 14, before the word "possible" delete the word "is" and insert the word "as."

On page 4, section 6, line 4, after the words "Conservation and" insert the word "Economic."

On page 5, section 10, lines 1 and 2, delete the words "Section 18:5-3 of the Revised Statutes" and insert in lieu thereof the words "section seven of this act."

