

40A:9-140.1

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:9-140.1 (Municipal finance officers--
set standards)

LAWS OF: 1988 CHAPTER: 110

BILL NO: S397

SPONSOR(S): Lynch

Date Introduced: _____

Committee: Assembly: _____
Senate: County and Municipal Government

Amended during passage: No Committee substitute enacted.

Date of Passage: Assembly: July 11, 1988
Senate: June 20, 1988

Date of Approval: August 22, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No
Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

rdv

SENATE, No. 397

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Senator LYNCH

1 AN ACT concerning the professionalization of various
2 administrative offices of municipalities, amending P.L. 1971,
3 c. 413, P.L. 1977, c. 39, N.J.S. 40A:9-152 and N.J.S.
4 40A:9-152.1 supplementing Chapter 9 of Title 40A of the New
5 Jersey Statutes and repealing section 5 of P.L. 1971, c. 413
6 (C. 40A:9-140.5).

7

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

10 1. Section 1 of P.L. 1971, c. 413 (C. 40A:9-140.1) is amended
11 to read as follows:

- 12 1. As used in this act:
- 13 a. "Director" means the Director of the Division of Local
14 Government Services.
- 15 b. "Municipal finance officer" means a municipal fiscal
16 officer, municipal comptroller, municipal treasurer, or a person
17 holding a position specifically titled "chief financial officer,"
18 who is not a member of the governing body of a municipality.
- 19 c. "Local unit" means a municipality or a utility owned by a
20 single municipality or owned jointly by one or more
21 municipalities, which together, do not comprise a county.

22 2. Section 2 of P.L. 1971, c. 413 (C. 40A:9-1-40.2) is
23 amended to read as follows:

- 24 2. The director shall hold examinations semi-annually, and at
25 such times as he may determine appropriate for certification of
26 municipal finance officers. An applicant for examination shall
27 present to the director written application on forms provided by
28 the Division of Local Government Services, shown, that the
29 applicant is not less than 21 years of age, is a citizen of the
30 United States, is of good moral character, has obtained a
31 certificate or diploma issued after at least four years of study in
32 an approved secondary school or has received an academic
33 education considered and accepted by the Commissioner of

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 Education of this State as fully equivalent, and has graduated
2 from a four-year course at a college of recognized standing. An
3 applicant who does not meet the college education requirement
4 may substitute full-time experience in a position as comptroller,
5 assistant comptroller, fiscal officer, assistant fiscal officer,
6 treasurer, assistant treasurer, in a position specifically titled
7 "chief financial officer" in any local unit, or in a similar
8 position in any local unit relating to financial administration on
9 a year-for-year basis. Every applicant shall also furnish proof
10 that he has received certificates indicating satisfactory
11 completion of, or has been the instructor of, complete training
12 courses in municipal current fund accounting municipal capital
13 and trust fund accounting, municipal utility fund accounting, the
14 municipal budget process and principles of financial
15 management, or such other training courses as are certified as
16 their equivalent by Rutgers University, The State University of
17 New Jersey, and approved by the Division of Local Government
18 Services. Each completed application form shall be
19 accompanied by a fee in the amount of \$25.00, payable to the
20 State Treasurer and shall be filed with the director at least 30
21 days prior to the date of examination. Examinations shall be
22 written, or both written and oral, and shall be of such character
23 as to fairly test and determine the ability of the person tested
24 to perform the duties of municipal finance officer.

25 3. Section 3 of P.L. 1971, c. 413 (C. 40A:9-140.3) is amended
26 to read as follows:

27 3. Upon finding by the director that the applicant has
28 successfully completed the examination, a municipal finance
29 officer certificate shall be issued to the applicant, upon the
30 payment of a fee of \$25.00 to the order of the Treasurer of the
31 State of New Jersey.

32 4. Section 4 of P.L. 1971, c. 413 (C. 40A:9-140.4) is amended
33 to read as follows:

34 4. Notwithstanding the qualifications established in section 2
35 of this act, a municipal finance officer certificate shall be
36 issued to any person who is licensed as a registered municipal
37 accountant in the State of New Jersey who shall make
38 application as required in section 2 of this act, and who shall
39 furnish proof that he has received a certificate indicating

1 satisfactory completion or instruction of a training course in
2 principles of financial management, or such other training
3 course as is certified as its equivalent by Rutgers University,
4 The State University of New Jersey, and approved by the
5 Division of Local Government Services of the State, upon
6 payment of a fee of \$25.00 to the order of the Treasurer of the
7 State of New Jersey.

8 5. (New section) Notwithstanding the qualifications
9 established in section 2 of P.L. 1971, c. 413 (C. 40A:9-140.2), a
10 municipal finance officer certificate may be issued without fee
11 by the director to any employee of the Division of Local
12 Government Services, for the sole purpose of enabling that
13 employee to serve as a municipal finance officer on an interim
14 basis in any local unit when so instructed by the director. Any
15 employee receiving a certificate, as provided in this section,
16 shall have at least five years experience in State or local
17 government and have completed the municipal finance training
18 courses required of any applicant for a municipal finance officer
19 certificate.

20 6. (New section) Any municipal finance officer certificate
21 may be revoked or suspended by the director for dishonest
22 practices or willfull or intentional failure, neglect or refusal to
23 comply with the Constitution of the State of New Jersey or laws
24 relating to municipal finances or other good cause. The
25 governing body or appropriate chief executive officer of any
26 municipality may request a review by the director of the
27 behavior or practices of a municipal finance officer. The
28 director may also initiate a review of the behavior or practices
29 of a municipal finance officer if he finds it advisable to do so
30 through the normal exercise of his statutory duties and
31 responsibilities. No certificate shall be revoked or suspended
32 except under a proper hearing before the director or his
33 designee after due notice. If the municipal finance officer
34 certificate of a person serving as a municipal finance officer
35 shall be revoked, such person shall be removed from his office or
36 position by the director; the office or position shall be declared
37 vacant, and the person shall not be eligible to hold that office or
38 position or to make application for recertification, for a period
39 of five years from the date of revocation.

1 7. (New section) Commencing January 1, 1990, no person
2 shall be appointed or reappointed as a municipal finance officer
3 unless he holds a municipal finance officer certificate issued
4 pursuant to the provisions of P.L. 1971, c. 413 (C. 40A:9-140.1
5 et seq.) and this amendatory and supplementary act; or unless he
6 has been granted tenure pursuant to the provisions of section 2
7 of P.L. 1977, c. 39 (C. 40A:9-140.8) or pursuant to the provisions
8 of N.J.S. 40A:9-152; and he has complied with the provisions of
9 subsection b. of section 2 of P.L. 1977, c. 39 (C. 40A:9-140.8) or
10 subsection b. of N.J.S. 40A:9-152, as appropriate; provided,
11 however, that when a vacancy occurs in the position of
12 municipal finance officer, the governing body or chief executive
13 officer, as appropriate, may appoint, for a period not to exceed
14 one year and commencing on the date of the vacancy, a person
15 who does not hold a municipal finance certificate to serve as a
16 temporary municipal finance officer. Any person so appointed
17 may be reappointed as municipal officer following the
18 termination of the temporary appointment for one additional
19 year; provided, however, that no person shall serve as a
20 temporary municipal finance officer for more than two years in
21 any local unit.

22 8. Notwithstanding the certificate requirements of section 7
23 of this amendatory and supplementary act, an untenured
24 municipal finance officer who has held office continuously for
25 five consecutive years in the same municipality may continue to
26 serve in his current position and shall not be removed from
27 office or denied appointment for failure to receive a municipal
28 finance officer certificate pursuant to the provisions of P.L.
29 1971, c. 413 (C. 40A:9-140.1 et seq.) and this amendatory and
30 supplementary act. The provisions of this section shall not be
31 construed to grant tenure and shall expire on January 1, 1990.

32 9. (New section) The first examination for certification of
33 municipal finance officers shall take place not less than 180
34 days from the effective date of this act. No municipal finance
35 officer certificates applied for under the terms of P.L. 1971, c.
36 413 (C. 40A:9-140.1 et seq.) prior to the effective date of this
37 amendatory and supplementary act shall be issued on or after
that effective date. Any person who holds a municipal finance

1 officer certificate prior to the effective date of this
2 amendatory and supplementary act who is not issued a new
3 certificate pursuant to paragraph (1) of subsection b. of P.L.
4 1977, c. 39 (C. 40A:9-140.8) or paragraph (1) of subsection b. of
5 N.J.S. 40A:9-152, shall continue to hold the certificate without
6 any further qualifications, except as provided in section 10 of
7 this amendatory and supplementary act and provided that on or
8 before January 1, 1990, the person successfully completes the
9 examination required pursuant to section 2 of P.L. 1971, c. 413
10 (C. 40A:9-140.2).

11 10. a. (New section) Commencing January 1, 1990, all
12 municipal finance officer certificates, except those issued
13 pursuant to section 4 of P.L. 1971, c. 413 (C. 40A:9-1-40.4) or
14 pursuant to section 5 of this amendatory and supplementary act,
15 shall be renewed upon application, payment of the required fee,
16 and verification that the applicant has met continuing education
17 requirements, all as set forth in this section. Each renewal shall
18 be for a period of two years. The renewal date shall be 30 days
19 prior to the expiration date.

20 b. All municipal finance officer certificates subject to
21 renewal pursuant to this section, issued prior to January 1, 1990,
22 shall have an expiration date of December 31, 1992. All
23 municipal finance officer certificates issued on or after January
24 1, 1990 shall have an expiration date of either June 30 or
25 December 31, whichever is sooner, of the second year following
26 the year in which the certificates were originally issued,
27 provided that no certificate shall expire sooner than two years
28 from date of original issue.

29 c. Each applicant for renewal of a municipal finance officer
30 certificate shall, on a form prescribed by the director, furnish
31 proof of having earned at least 2.0 continuing education units.
32 For the purposes of this section, a. 1.0 continuing education unit
33 equals 10 contact hours. Upon verification of this requirement,
34 and upon payment of a fee of \$10.00 to the order of the
35 Treasurer of the State of New Jersey, the director shall renew
36 the municipal finance officer certificate.

37 d. Where the holder of a municipal finance officer certificate
38 has allowed the certificate to lapse by failing to renew the
39 certificate, a new application and certificate shall be required.

1 If application is made within six months of the expiration of the
 2 certificate, then application may be made in the same manner
 3 as a renewal but the application shall be accompanied by the fee
 4 for a new application.

5 11. (New section) The director is authorized to adopt, in
 6 accordance with the "Administrative Procedure Act," P.L. 1968,
 7 c. 410 (C. 52:14B-1 et seq.), such regulations, forms and
 8 procedures as may be necessary to carry out the terms of this
 9 act.

10 12. Section 1 of P.L. 1977, c. 39 (C. 40A:9-140.7) is amended
 11 to read as follows:

12 1. As used in this act "municipal finance officer" means ~~a~~
 13 person holding a position specifically titled "chief financial
 14 officer," a municipal comptroller, municipal fiscal officer or
 15 municipal treasurer who is not a member of the governing body
 16 of a municipality.

17 13. Section 2 of P.L. 1977, c. 39 (C. 40A:9-140.8) is amended
 18 to read as follows:

19 2. a. Except as provided in subsection b. of this section,
 20 every person who serves as the municipal finance officer of any
 21 municipality in this State and has served in that position for a
 22 period of not less than five consecutive years and who is a
 23 holder of a municipal finance officer certificate issued in
 24 accordance with P.L. 1971, c. 413 (C. 40A:9-140.1 et seq.) and
 25 this amendatory and supplementary act, P.L. , c. (C.),
 26 shall be granted tenure of office upon filing with the clerk of
 27 the municipality and with the Division of Local Government
 28 Services in the Department of Community Affairs a notification
 29 evidencing his compliance with this section. Thereafter, the
 30 person shall continue to hold office during good behavior and
 31 efficiency, and shall not be removed therefrom except for just
 32 cause and then only after a public hearing upon a written
 33 complaint setting forth the charge or charges against him
 34 pursuant to section 3 of [this act] P.L. 1977, c. 39 (C.
 35 40A:9-140.9) or upon expiration or revocation of certification by
 36 the Director of the Division of Local Government Services
 37 pursuant to section 6 of this amendatory and supplementary act.

38 b. (1) The director shall issue a municipal finance officer
 39 certificate pursuant to the provisions of this amendatory and
 40 supplementary act without examination and upon application and

1 payment of the fee within one year of the effective date of this
2 amendatory and supplementary act to any municipal finance
3 officer who has been granted tenure and who furnishes proof
4 that he has served as an instructor of, or has successfully
5 completed, the five training courses required pursuant to section
6 2 of P.L. 1971, c. 413 (C. 40A:9-140.2).

7 (2) Any municipal finance officer granted tenure pursuant to
8 subsection a. of this section prior to the effective date of this
9 amendatory and supplementary act who is not issued a municipal
10 finance officer certificate pursuant to the provisions of this
11 amendatory and supplementary act shall successfully complete
12 the examination required pursuant to section 2 of P.L. 1971, c.
13 413 (C. 40A:9-140.2) on or before January 1, 1990. Failure to
14 successfully complete the examination by January 1, 1990 shall
15 constitute just cause for removal of that municipal finance
16 officer. A tenured municipal finance officer shall not receive a
17 municipal finance officer certificate upon successful completion
18 of the examination pursuant to this paragraph unless the officer
19 also meets the other requirements for a certificate pursuant to
20 the provisions of this amendatory and supplementary act. A
21 tenured municipal finance officer without a certificate shall be
22 required to earn at least 2.0 continuing education units within
23 two years of the effective date of this act and every two years
24 thereafter. The municipal finance officer shall furnish proof to
25 the director and to the governing body of the municipality that
26 the units have been earned within each required time period.
27 For the purposes of this paragraph, a 1.0 continuing education
28 unit equals 10 contact hours.

29 14. Section 3 of P.L. 1977, c. 39 (C. 40A:9-140.9) is amended
30 to read as follows:

31 3. The complaint shall be filed with the municipal clerk and
32 the director of the Division of Local Government Services and a
33 certified copy thereof shall be served upon the person so
34 charged, with notice of a designated hearing date before the
35 director or his designee, which shall not be less than 30 nor later
36 than 60 days from the date of service of the complaint. The
37 hearing date may be extended by the Superior Court for good
cause shown upon the application of either party.

1 The person so charged and the complainant shall have the
right to be represented by counsel and the power to subpoena
3 witnesses and documentary evidence, together with discovery
proceedings.

5 The Superior Court shall have jurisdiction to review the
determination of the director which court shall bear the cause
7 de novo on the record below and affirm, modify or set aside such
determination.

9 Either party may supplement the record with additional
testimony subject to the rules of evidence.

11 15. N.J.S. 40A:9-152 is amended to read as follows:

13 40A:9-152 a. Whenever a person has or shall have held the
office of municipal treasurer for 10 consecutive years on or
before December 31, 1988, the governing body of the
15 municipality may grant tenure in office to such person.
Beginning January 1, 1989 and thereafter, a municipal treasurer
17 shall be granted tenure only pursuant to the provisions of P.L.
1971, c. 413 (C. 40A:9-140.1 et seq.) and this amendatory and
19 supplementary act. Except as provided in subsection b. of this
section, a municipal treasurer who was granted tenure pursuant
21 to this section shall continue to hold office during good behavior
and efficiency, and shall not be removed therefrom except for
23 just cause and then only after public hearing upon written
complaint setting forth the charge or charges against him.

25 b. The director shall issue a municipal finance officer
certificate pursuant to the provisions of this amendatory and
27 supplementary act without examination and upon application
within one year of the effective date of this act to any
29 municipal treasurer who has been granted tenure and who
furnishes proof that he has served as an instructor of, or has
31 successfully completed, the five training courses required
pursuant to section 2 of P.L. 1971, c. 413 (C.40A:140.2)

33 (2) Any municipal treasurer granted tenure pursuant to
subsection a. of this section prior to the effective date of this
35 amendatory and supplementary act who is not issued a municipal
finance officer certificate pursuant to this amendatory and
37 supplementary act shall successfully complete the examination
required pursuant to the provisions of section 2 of P.L. 1971, c.
39 413 (C. 40A:9-140.2) on or before January 1, 1990. Failure to

1 successfully complete the examination shall constitute just
 2 cause for removal. A tenured municipal treasurer shall not
 3 receive a municipal finance officer certificate upon successful
 4 completion of the examination pursuant to this paragraph unless
 5 the municipal treasurer also meets the other requirements for a
 6 certificate pursuant to the provisions of this amendatory and
 7 supplementary act. A tenured municipal treasurer without a
 8 certificate shall be required to earn at least 2.0 continuing
 9 education within two years of the effective date of this act and
 10 every two years thereafter. The municipal treasurer shall
 11 furnish proof to the director and to the governing body of the
 12 municipality that the units have been earned within each
 13 required time period. For the purposes of this paragraph, a 1.0
 14 continuing education unit equals 10 contact hours.

15 16. N.J.S. 40A:9-152.1 is amended to read as follows:

16 40A:9-152.1 Any removal of a municipal treasurer having
 17 tenure in office shall be upon a written complaint setting forth
 18 the charge or charges against him.

19 The complaint shall be filed with the municipal clerk and the
 20 Director of the Division of Local Government Services and a
 21 certified copy thereof shall be served upon the person so
 22 charged, with notice of a designate hearing date before the
 23 director or his designee, which shall be not less than 30 nor later
 24 than 60 days from the date of service of the complaint. The
 25 said hearing date may be extended by the Superior Court for
 26 good cause shown upon the application of either party. The
 27 person so charged and the complainant shall have the right to be
 28 represented by counsel and the power to subpoena witnesses and
 29 documentary evidence, together with discovery proceedings.

30 The Superior Court shall have jurisdiction to review the
 31 determination of the director which court shall hear the cause
 32 de novo and affirm, modify or set aside such determination.

33 17. Section 5 of P.L. 1971, c. 413 (C. 40A:9-140.5) is repealed.

34 18. This act shall take effect immediately.

35

STATEMENT

36

37 This bill amends the municipal finance officer certification
 38 program established by P.L. 1971, c. 413 (C. 40A:9-140.1 et seq.)
 39

1 to require that municipal finance officer applicants pass an
examination prior to certification.

3 Currently, P.L. 1971, c. 413 permits a person with certain
qualifications and experience to apply for a municipal finance
5 officer certificate. In addition, section 2 of P.L. 1977, c. 39 (C.
40A:9-140.8) provides that, in most municipalities, an officer
7 with a certificate and at least five consecutive years experience
as a finance officer shall be granted tenure during good behavior
9 and efficiency.

This bill amend P.L. 1971, c. 413 to add passage of an
11 examination to the requirements necessary to receive a
municipal finance officer certificate and provide for a \$25.00
13 examination fee. The circumstances by which an issued
certificate may be revoked or suspended are also established.

15 The bill amends P.L. 1977, c. 39 to provide that every
municipal finance officer who is serving as an officer, who has
17 served in that position for at least five years and who has a
municipal finance officer certificate shall be granted tenure.

19 In addition, the bill provides that commencing January 1,
1990, no person shall be appointed or reappointed as a municipal
21 finance officer unless the person holds a municipal finance
officer's certificate, or unless the person previously acquired
23 tenure. However, for the three years following enactment of
the bill, a municipal finance officer who has held the position
25 continuously for five years in the same municipality shall not be
denied reappointed for failure to qualify as a certified municipal
27 finance officer.

The bill also provides for temporary appointments as
29 municipal finance officer for a period not to exceed two years.
Municipal finance officer certificates shall be subject to
31 renewal every two years. Applicants for renewal must furnish
proof of having earned a prescribed number of continuing
33 education units since the initial issuance of the certificate.

The bill further permits the Director of the Division of Local
35 Government Services to issue without fee a municipal finance
officer's certificate to an employee of that division for the sole
37 purpose of enabling that employee to serve as an officer on an

1 interim basis in any local unit when so instructed by the
director. Finally, this bill provides that any employee receiving
3 such a certificate shall have at least five years experience in
State or local government and completed the municipal finance
5 courses required of applicants.

7

MUNICIPALITIES

9

Local Officers and Employees

11 Requires examination and sets standards for the certification of
municipal finance officers.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 397

STATE OF NEW JERSEY

DATED: FEBRUARY 29, 1988

The Senate County and Municipal Government Committee reports favorably Senate Committee Substitute for Senate Bill 397.

The Senate Committee Substitute for S-397 amends the municipal finance officer certification program established by P.L. 1971, c. 413 (C. 40A:9-140.1 et seq.) to require that municipal finance officer applicants pass an examination prior to certification.

Currently, P.L. 1971, c. 413 permits a person with certain qualifications and experience to apply for a municipal finance officer certificate. In addition, section 2 of P.L. 1977, c. 39 (C. 40A:9-140.8) provides that, in most municipalities, an officer with a certificate and at least five consecutive years experience as a finance officer shall be granted tenure during good behavior and efficiency.

This bill amends section 2 of P.L. 1971, c. 413 (C. 40A:9-140.2) to add passage of an examination to the requirements necessary to receive a municipal finance officer certificate and provide for a \$25.00 examination fee. The circumstances by which an issued certificate may be revoked or suspended are also established.

Additionally, the bill requires the governing body of each municipality to create the position of chief financial officer by ordinance.

The bill amends section 2 of P.L. 1977, c. 39 (C. 40A:9-140.8) to provide that every municipal finance officer who is serving as the chief financial officer, has served in that position for at least five years and who has a municipal finance officer certificate shall be granted tenure.

In addition, the bill provides that commencing January 1, 1991, no person shall be appointed or reappointed as a municipal finance officer unless: the person holds a municipal finance officer's certificate; the person previously acquired tenure; or the person did not previously qualify as a certified municipal finance officer but has held office continuously in the same municipality for five consecutive years.

The bill also provides for temporary appointments as municipal finance officer for a period not to exceed two years. Municipal finance officer certificates shall be subject to renewal every two years. Applicants for renewal must furnish proof of having earned a prescribed number of continuing education units since the initial issuance of the certificate.

The bill further permits the Director of the Division of Local Government Services to issue without fee a municipal finance officer's certificate to an employee of that division for the sole purpose of enabling that employee to serve as an officer on an interim basis in any local unit when so instructed by the director.

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 397

STATE OF NEW JERSEY

ADOPTED FEBRUARY 29, 1988

Sponsored by Senator Lynch

1 AN ACT concerning the professionalization of various
administrative offices of municipalities, amending P.L. 1971, c.
3 413 and P.L. 1977, c. 39, and supplementing chapter 9 of Title
40A of the New Jersey Statutes.

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

1. Section 1 of P.L. 1971, c. 413 (C. 40A:9-140.1) is amended
9 to read as follows:

1. As used in this act:
11 a. "Director" means the Director of the Division of Local
Government Services.

13 b. "Municipal finance officer" means a municipal director of
finance, assistant director of finance, fiscal officer, municipal
15 comptroller, assistant controller, supervisor accounts payable,
[or] municipal treasurer, assistant municipal treasurer or deputy
17 treasurer who is not a member of the governing body of a
municipality.

19 c. "Local unit" means a municipality or a utility owned by a
single municipality or owned jointly by one or more
21 municipalities, which together, do not comprise a county.

23 d. "Chief financial officer" means the person who is a
certified municipal finance officer appointed by a municipality
under section of P.L., c. (C.) (now pending
25 before the Legislature as this bill) to carry out the
responsibilities set forth under P.L. 1947, c. 151 (C. 52:27BB-26
27 et seq.).

(cf: P.L. 1975, c. 198, s. 1)

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 2. Section 2 of P.L. 1971, c. 413 (C. 40A:9-140.2) is amended
to read as follows:

3 2. [Commencing on the effective date of this act, the Director
of the Division of Local Government Services, hereinafter
5 referred to as the] The director[,] shall [accept applications] hold
examinations semi-annually, and at such times as he may
7 determine appropriate for certification [as] of municipal finance
[officer] officers. An applicant for examination shall present to
9 the director written application on forms provided by the Division
of Local Government Services, showing that the applicant is not
11 less than 21 years of age, is a citizen of the United States, is of
good moral character, has obtained a certificate or diploma
13 issued after at least 4 years of study in an approved secondary
school or has received an academic education considered and
15 accepted by the Commissioner of Education of this State as fully
equivalent, and has graduated from a 4-year course at a college
17 of recognized standing [, with a major course of study in business
administration, accounting or some related subject]. An
19 applicant who does not meet the college education requirement
may substitute full-time experience in a position as a municipal
21 director of finance, assistant director of finance, fiscal officer,
municipal comptroller , assistant controller, supervisor accounts
23 payable, municipal treasurer, assistant municipal treasurer or
deputy treasurer in any local unit on a year-for-year basis.
25 Every applicant shall also furnish proof that he has received
certificates indicating satisfactory completion of, or has been the
27 instructor of, complete training courses in municipal finance
administration, municipal current fund accounting I and II,
29 municipal capital and trust fund accounting, municipal utility
fund accounting, municipal budget preparation and control, and
31 principles of financial management, or such other training
courses as are certified as their equivalent by Rutgers University,
33 The State University of New Jersey, and approved by the Division
of Local Government Services. Each completed application form
35 shall be accompanied by a fee in the amount of \$25.00, payable to
the State Treasurer and shall be filed with the director at least
37 30 days prior to the date of examination. Examinations shall be
written, or both written and oral, and shall be of such

1 character as fairly to test and determine the ability of the person
2 tested to perform the duties of municipal finance officer.

3 (cf: P.L. 1975, c. 198, s. 2)

4 3. Section 3 of P.L. 1971, c. 413 (C. 40A:9-140.3) is amended
5 to read as follows:

6 3. Upon finding by the director that the applicant has [met the
7 qualifications as set forth in section 1 of this act] successfully
8 completed the examination, a municipal finance officer
9 certificate shall be issued to the applicant, upon the payment of a
10 fee of \$25.00 to the order of the Treasurer of the State of New
11 Jersey.

12 (cf: P.L. 1971, c. 413, s. 3)

13 4. Section 4 of P.L. 1971, c. 413 (C. 40A:9-140.4) is amended
14 to read as follows:

15 4. Notwithstanding the qualifications established in section [1]
16 2 of this act, a municipal finance officer certificate shall be
17 issued to any person who is licensed as a registered municipal
18 accountant in the State of New Jersey who shall make application
19 as required in section [1] 2 of this act, and who shall furnish proof
20 that he has received a certificate indicating satisfactory
21 completion or instruction of a training course in principles of
22 financial management, or such other training course as is
23 certified as its equivalent by Rutgers University, The State
24 University of New Jersey, and approved by the Division of Local
25 Government Services of the State, upon payment of a fee of
26 \$25.00 to the order of the Treasurer of the State of New Jersey.

27 (cf: P.L.1975, c. 198, s. 3)

28 5. (New section) The governing body of each municipality
29 shall, by ordinance, create the position of chief financial officer
30 and establish the compensation therefor.

31 6. (New section) Notwithstanding the qualifications established
32 in section 2 of P.L. 1971, c. 413 (C. 40A:9-140.2), a municipal
33 finance officer certificate may be issued without fee by the
34 director to any employee of the Division of Local Government
35 Services, for the sole purpose of enabling that employee to serve
36 as a municipal finance officer on an interim basis in any local
37 unit when so instructed by the director.

1 7. (New section) Any municipal finance officer certificate may
2 be revoked or suspended by the director for dishonest practices or
3 willful or intentional failure, neglect or refusal to comply with
4 the Constitution of the State of New Jersey or laws relating to
5 municipal finances or other good cause. The governing body
6 together with the appropriate chief executive officer of any
7 municipality may request a review by the director of the behavior
8 or practices of a municipal finance officer. The director may
9 also initiate a review of the behavior or practices of a municipal
10 finance officer if he finds it advisable to do so through the
11 normal exercise of his statutory duties and responsibilities. No
12 certificate shall be revoked or suspended except under a proper
13 hearing before the director or his designee after due notice. If
14 the municipal finance officer certificate of a person serving as a
15 municipal finance officer shall be revoked, such person shall be
16 removed from his office or position by the director; the office or
17 position shall be declared vacant, and the person shall not be
18 eligible to hold that office or position or to make application for
19 recertification for a period of five years from the date of
20 revocation.

21 8. (New section) Commencing January 1, 1991, no person shall
22 be appointed or reappointed as a municipal finance officer unless
23 he holds a municipal finance officer certificate issued pursuant to
24 the provisions of P.L. 1971, c. 413 (C. 40A:9-140.1 et seq.) or this
25 act; or unless on or before the effective date of this act he has
26 been granted tenure pursuant to the provisions of section 2 of
27 P.L. 1977, c. 39 (C. 40A:9-140.8) or this act, or pursuant to the
28 provisions of N.J.S. 40A:9-152; provided, however, that a
29 municipal finance officer who has held office continuously for
30 five consecutive years in the same municipality may continue to
31 serve in his current position and shall not be removed from office
32 or denied reappointment for failure to qualify as a certified
33 municipal finance officer pursuant to the provisions of P.L. 1971,
34 c. 413 (C. 40A:9-140.1 et seq.) or this act; and further provided,
35 however, that when a vacancy occurs in the position of chief
36 financial officer, the governing body or chief executive officer,
37 as appropriate, may appoint, for a period not to exceed one year

1 and commencing on the date of the vacancy, a person who does
not hold a municipal finance certificate to serve as a temporary
3 chief financial officer. Any person so appointed may be
reappointed as chief financial officer following the termination
5 of the temporary appointment for one additional year; provided,
however, that no person shall serve as temporary chief financial
7 officer for more than two years in any local unit.

9. (New section) The first examinations for certification of
9 municipal finance officers shall take place not less than 180 days
from the effective date of this act. No municipal finance officer
11 certificates applied for under the terms of P.L. 1971, c. 413 (C.
40A:9-140.1 et seq.) shall be issued on or after 180 days after the
13 effective date of this act.

Any person who holds a municipal finance officer certificate
15 prior to the effective date of this act shall continue to hold the
certificate without any further qualifications, except as provided
17 in section 10 of this act.

Notwithstanding the provisions of this act, on and after the
19 effective date of this act, but not later than one year after the
enactment of this act, the director shall issue upon payment of a
21 fee of \$25.00 to the order of the Treasurer of the State of New
Jersey a municipal finance officer certificate to any applicant
23 who has successfully completed the training courses provided in
section 2 of P.L. 1971, c. 413 (C. 40A:9-140.2) and who is serving
25 as a municipal finance officer on, and has served as a municipal
finance officer for five consecutive years immediately prior to
27 the date of application for certification, but who has not
successfully completed the examination required pursuant to this
29 act.

10. (New section) a. Commencing January 1, 1991, all
31 municipal finance officer certificates, except those issued
pursuant to section 4 of P.L. 1971, c. 413 (C. 40A:9-140.4) or
33 pursuant to section 6 of this act, shall be renewed upon
application, payment of the required fee, and verification that
35 the applicant has met continuing education requirements, all as
set forth in this section. Each renewal shall be for a period of
37 two years. The renewal date shall be 30 days prior to the
expiration date.

1 b. All municipal finance officer certificates subject to renewal
2 pursuant to this section issued prior to January 1, 1991 shall have
3 an expiration date of December 31, 1993. All municipal finance
4 officer certificates issued on or after January 1, 1991 shall have
5 an expiration date of either June 30 or December 31, whichever
6 is sooner, of the second year following the year in which the
7 certificates were originally issued, provided that no certificate
8 shall expire sooner than two years from the date of original issue.

9 c. Each applicant for renewal of a municipal finance officer
10 certificate shall, on a form prescribed by the director, furnish
11 proof of having earned at least 2.0 continuing education units.
12 For the purposes of this section, 1.0 continuing education unit
13 equals 10 contract hours. Upon verification of this requirement,
14 and upon payment of a fee of \$10.00 to the order of the Treasurer
15 of the State of New Jersey, the director shall renew the
16 municipal finance officer certificate.

17 d. Where the holder of a municipal finance officer certificate
18 has allowed the certificate to lapse by failing to renew the
19 certificate, a new application and certificate shall be required.
20 If application is made within six months of the expiration of the
21 certificate, then application may be made in the same manner as
22 a renewal but the application shall be accompanied by the fee for
23 a new application.

24 11. (New section) The director is authorized to adopt, in
25 accordance with the "Administrative Procedure Act," P.L. 1968,
26 c. 410 (C. 52:14B-1 et seq.), such regulations, forms and
27 procedures as may be necessary to carry out the terms of this act.

28 12. Section 1 of P.L. 1977, c. 39 (C. 40A:9-140.7) is amended
29 to read as follows:

30 1. As used in this act "municipal finance officer" means a
31 person holding a position specifically titled "municipal finance
32 officer", municipal director of finance, fiscal officer, municipal
33 comptroller, assistant controller, supervisor accounts payable,
34 municipal treasurer, assistant municipal treasurer or deputy
35 municipal treasurer who is not a member of the governing body of
36 a municipality.

37 (cf: P.L. 1977, c. 39, s. 1)

1 13. Section 2 of P.L. 1977, c. 39 (C. 40A:9-140.8) is amended
to read as follows:

3 2. Notwithstanding the provisions of any other law to the
contrary, every person who [shall have served as the municipal
5 finance officer] is serving as the chief financial officer of any
municipality in this State [, except any municipality having
7 adopted any of the plans under articles 7 (Major Council Plan E)
and 8 (Major Council Plan F) of the "Optional Municipal Charter
9 Law," P.L. 1950, c. 210 (C. 40:69A-68 through 80] and has served
in that position for a period of not less than 5 consecutive years
11 and who is a holder of a municipal finance officer certificate
issued in accordance with P.L. 1971, c. 413 (C. 40A:9-140.1 et
13 seq.), shall be granted tenure of office upon filing with the clerk
of the municipality and with the Division of Local Government
15 Services in the Department of Community Affairs a notification
evidencing his compliance with this section[, and]. Thereafter,
17 the person shall continue to hold office during good behavior and
efficiency, and shall not be removed therefrom except for just
19 cause and then only after a public hearing upon a written
complaint setting forth the charge or charges against him
21 pursuant to section 3 of [this act] P.L. 1977, c. 39 (C.
40A:9-140.9) or upon expiration or revocation of certification by
23 the director of the Division of Local Government Services
pursuant to section 5 of P.L. 1971, c. 413 (C. 40A:9-140.5).

25 (cf: P.L. 1977, c. 39, s. 2)

27 14. Section 3 of P.L. 1977, c. 39 (C. 40A:9-140.9) is amended
to read as follows:

29 3. The complaint shall be filed with the municipal clerk and
the Director of the Division of Local Government Services and a
certified copy thereof shall be served upon the person so charged,
31 with notice of a designated hearing date before the [members of
the governing body] director or his designee, which shall be not
33 less than [10] 30 days nor later than [30] 60 days from the date of
service of the complaint. The hearing date [shall be fixed by
35 resolution of the governing body] may be extended by the
Superior Court for good cause shown upon the application of
37 either party.

1 The person so charged [by the governing body] and the
2 complainant shall have the right to be represented by counsel and
3 the power to subpoena witnesses and documentary evidence,
4 together with discovery proceedings.

5 The Superior Court shall have jurisdiction to review the
6 determination of the [governing body] director which court shall
7 hear the cause de novo on the record below and affirm, modify or
8 set aside such determination.

9 Either party may supplement the record with additional
10 testimony subject to the rules of evidence.

11 (cf: P.L. 1981, c. 75, s. 2)

12 15. This act shall take effect immediately.

13

14

15 MUNICIPALITIES
16 Local Officers and Employees

17

18 Requires examination and sets standards for certification of
19 municipal finance officers.