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LAW/KR

P.L.2011, CHAPTER 55, *approved April 20, 2011*

Senate, No. 2465

1 **AN ACT** concerning Municipal Consolidation Study Commissions  
2 and amending P.L.2007, c.63.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. Section 25 of P.L.2007, c.63 (C.40A:65-25) is amended to  
8 read as follows:

9 25. a. The Legislature finds and declares that in order to  
10 encourage municipalities to increase efficiency through municipal  
11 consolidation for the purpose of reducing expenses borne by their  
12 property taxpayers, more flexible options need to be available to the  
13 elected municipal officials and voters than are available through the  
14 "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et  
15 al.).

16 b. (1) In lieu of the procedures set forth in the "Municipal  
17 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), the  
18 governing bodies from two or more contiguous municipalities may  
19 apply to the board for either:

20 (a) approval of a plan to consolidate their municipalities; or

21 (b) creation of a Municipal Consolidation Study Commission, as  
22 described in subsection c. of this section.

23 (2) A representative committee of registered voters from two or  
24 more contiguous municipalities may petition the board for the  
25 creation of a Municipal Consolidation Study Commission, as  
26 described in subsection c. of this section. The petition, to be  
27 sufficient, shall be signed by the registered and qualified voters of  
28 the municipalities in a number at least equal to 10% of the total  
29 votes cast in those municipalities at the last preceding general  
30 election at which members of the General Assembly were elected.  
31 The board shall also accept a combination of applications from  
32 local governing bodies, pursuant to subparagraph (b) of paragraph  
33 (1) of this subsection, and petitions from representative committees  
34 of registered voters, pursuant to this paragraph, from two or more  
35 contiguous municipalities, requesting the creation of a Municipal  
36 Consolidation Study Commission; however, if each municipality  
37 submits an application from its governing body, any proposed  
38 consolidation plan shall be approved by voter referendum in each of  
39 the municipalities.

40 (3) The board shall provide application forms and technical  
41 assistance to any governing bodies or voters desiring to apply to the

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

Matter underlined thus is new matter.

1 board for approval of a consolidation plan or the creation of a  
2 Municipal Consolidation Study Commission.

3 (4) A consolidation commission established pursuant to  
4 P.L.1977, c.435 (C.40:43-66.35 et seq.) in the year prior to  
5 enactment of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.)  
6 may apply to the Local Finance Board for approval to use the  
7 provisions of section 25 through 29 of P.L.2007, c.63 (C.40A:65-25  
8 through C.40A:65-29).

9 c. An application to create a Municipal Consolidation Study  
10 Commission shall propose a process to study the feasibility of  
11 consolidating the participating municipalities into a single new  
12 municipality or merging one into the other. The application shall  
13 include provisions for:

14 (1) the means of selection and qualifications of study  
15 commissioners;

16 (2) the timeframe for the study, which shall be no more than  
17 three years, along with key events and deadlines, including time for  
18 review of the report by State agencies, which review shall be no  
19 less than three months;

20 (3) whether a preliminary report shall be issued in addition to  
21 the final report;

22 (4) whether the development of a consolidation implementation  
23 plan will be a part of the study;

24 (5) the means for any proposed consolidation plan to be  
25 approved; either by voter referendum, by the governing bodies, or  
26 both; and

27 (6) if proposed by a representative group of voters, justification  
28 of that group's standing to serve as the community advocate for the  
29 consolidation proposal.

30 d. (1) An application to the board for consideration of a  
31 consolidation plan or to create a Municipal Consolidation Study  
32 Commission shall be subject to a public hearing within each  
33 municipality to be studied, and a joint public hearing in a place that  
34 is easily accessible to the residents of both or all of the  
35 municipalities.

36 (2) The public hearings shall be facilitated by the board and  
37 conducted in accordance with the provisions of the "Senator Byron  
38 M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et  
39 seq.).

40 (3) After approval of a plan by the board, it may be amended  
41 upon petition to the board by the applicant. Based on the nature of  
42 the amendment, the board may decide to hold a public hearing in  
43 any of the municipalities affected by the plan, or at a regular  
44 meeting, or both.

45 e. Every Municipal Consolidation Study Commission shall  
46 include a representative of the Department of Community Affairs as  
47 a non-voting representative on the commission. The representative  
48 shall not be a resident of a municipality participating in the study.

1 The department shall prepare an objective fiscal study of the fiscal  
2 aspects of a consolidation and shall provide it to the commission in  
3 a timely manner.

4 f. If the consolidation would include the consolidation of  
5 boards of education, a person appointed by the Commissioner of  
6 Education shall serve as a non-voting member of that Municipal  
7 Consolidation Study Commission. The representative of the  
8 Commissioner of Education shall not be a resident of a community  
9 participating in the study. The county superintendent of schools  
10 shall conduct a study on the impact of consolidation on the  
11 educational system and its finances. The report shall be provided to  
12 the commission in a timely manner.

13 g. There shall be no more than one of either a consolidation  
14 plan study, a Municipal Consolidation Study Commission, or a joint  
15 municipal consolidation created under the "Municipal  
16 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), active  
17 in a single municipality at the same time. In the event that more  
18 than one application is filed with the board or is being considered  
19 by the governing bodies while another action affecting the same  
20 municipality or municipalities is under consideration, the board  
21 shall consider the applications and shall join any proposed creation  
22 of a joint municipal consolidation together and approve only one  
23 action as the board deems to be in the public interest. Prior to  
24 approving a single action, the board shall hold a public hearing  
25 permitting all parties to present testimony on the merits of their  
26 action in relation to the other proposals. Once an action is approved  
27 by the board, another action from the same combination of  
28 municipalities shall not be approved for at least five years.

29 h. In considering its decisions under sections 1 to 37 of  
30 P.L.2007, c.63 (C.40A:65-1 et al.), the Local Finance Board and  
31 any other State agency shall take into account local conditions, the  
32 reasonableness of proposed decisions, and the facilitation of the  
33 consolidation process in making decisions concerning  
34 consolidation.

35 (cf: P.L.2007, c.63, s.25)

36

37 2. This act shall take effect immediately.

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#### STATEMENT

41

42 This bill would permit municipalities seeking to petition the  
43 Local Finance Board for the formation of a Municipal  
44 Consolidation Study Commission under the "Uniform Shared  
45 Services and Consolidation Act," sections 1 through 35 of  
46 P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35), to obtain board  
47 approval either through voter petition or application by a municipal  
48 governing body, in any combination. However, if each

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1 municipality submits an application by its governing body, any  
2 proposed consolidation plan must be approved by voter referendum  
3 in each of the municipalities. The bill ensures that the board will  
4 not reject an application for formation of a commission when, for  
5 example, one or more of the municipalities obtains approval by  
6 petition and one or more obtains approval by application of the  
7 municipal governing body.

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12 \_\_\_\_\_  
13 Permits combination of voter petitions and application by  
14 municipal governing body for approval of Municipal Consolidation  
Study Commission by Local Finance Board.

# SENATE, No. 2465

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED DECEMBER 6, 2010

**Sponsored by:**

**Senator ROBERT M. GORDON**

**District 38 (Bergen)**

**Senator JAMES BEACH**

**District 6 (Camden)**

**Assemblywoman CONNIE WAGNER**

**District 38 (Bergen)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

**Co-Sponsored by:**

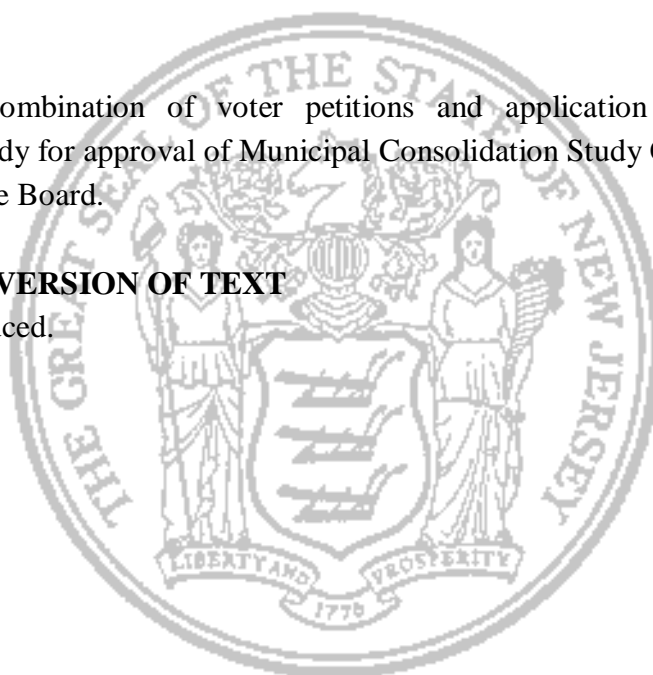
**Senator Beck**

**SYNOPSIS**

Permits combination of voter petitions and application by municipal governing body for approval of Municipal Consolidation Study Commission by Local Finance Board.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/15/2011)**

1 AN ACT concerning Municipal Consolidation Study Commissions  
2 and amending P.L.2007, c.63.

3

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

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7 1. Section 25 of P.L.2007, c.63 (C.40A:65-25) is amended to  
8 read as follows:

9 25. a. The Legislature finds and declares that in order to  
10 encourage municipalities to increase efficiency through municipal  
11 consolidation for the purpose of reducing expenses borne by their  
12 property taxpayers, more flexible options need to be available to the  
13 elected municipal officials and voters than are available through the  
14 "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et  
15 al.).

16 b. (1) In lieu of the procedures set forth in the "Municipal  
17 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), the  
18 governing bodies from two or more contiguous municipalities may  
19 apply to the board for either:

20 (a) approval of a plan to consolidate their municipalities; or

21 (b) creation of a Municipal Consolidation Study Commission, as  
22 described in subsection c. of this section.

23 (2) A representative committee of registered voters from two or  
24 more contiguous municipalities may petition the board for the  
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26 described in subsection c. of this section. The petition, to be  
27 sufficient, shall be signed by the registered and qualified voters of  
28 the municipalities in a number at least equal to 10% of the total  
29 votes cast in those municipalities at the last preceding general  
30 election at which members of the General Assembly were elected.  
31 The board shall also accept a combination of applications from  
32 local governing bodies, pursuant to subparagraph (b) of paragraph  
33 (1) of this subsection, and petitions from representative committees  
34 of registered voters, pursuant to this paragraph, from two or more  
35 contiguous municipalities, requesting the creation of a Municipal  
36 Consolidation Study Commission; however, if each municipality  
37 submits an application from its governing body, any proposed  
38 consolidation plan shall be approved by voter referendum in each of  
39 the municipalities.

40 (3) The board shall provide application forms and technical  
41 assistance to any governing bodies or voters desiring to apply to the  
42 board for approval of a consolidation plan or the creation of a  
43 Municipal Consolidation Study Commission.

44 (4) A consolidation commission established pursuant to  
45 P.L.1977, c.435 (C.40:43-66.35 et seq.) in the year prior to

**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 enactment of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.)  
2 may apply to the Local Finance Board for approval to use the  
3 provisions of section 25 through 29 of P.L.2007, c.63 (C.40A:65-25  
4 through C.40A:65-29).

5 c. An application to create a Municipal Consolidation Study  
6 Commission shall propose a process to study the feasibility of  
7 consolidating the participating municipalities into a single new  
8 municipality or merging one into the other. The application shall  
9 include provisions for:

10 (1) the means of selection and qualifications of study  
11 commissioners;

12 (2) the timeframe for the study, which shall be no more than  
13 three years, along with key events and deadlines, including time for  
14 review of the report by State agencies, which review shall be no  
15 less than three months;

16 (3) whether a preliminary report shall be issued in addition to  
17 the final report;

18 (4) whether the development of a consolidation implementation  
19 plan will be a part of the study;

20 (5) the means for any proposed consolidation plan to be  
21 approved; either by voter referendum, by the governing bodies, or  
22 both; and

23 (6) if proposed by a representative group of voters, justification  
24 of that group's standing to serve as the community advocate for the  
25 consolidation proposal.

26 d. (1) An application to the board for consideration of a  
27 consolidation plan or to create a Municipal Consolidation Study  
28 Commission shall be subject to a public hearing within each  
29 municipality to be studied, and a joint public hearing in a place that  
30 is easily accessible to the residents of both or all of the  
31 municipalities.

32 (2) The public hearings shall be facilitated by the board and  
33 conducted in accordance with the provisions of the "Senator Byron  
34 M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et  
35 seq.).

36 (3) After approval of a plan by the board, it may be amended  
37 upon petition to the board by the applicant. Based on the nature of  
38 the amendment, the board may decide to hold a public hearing in  
39 any of the municipalities affected by the plan, or at a regular  
40 meeting, or both.

41 e. Every Municipal Consolidation Study Commission shall  
42 include a representative of the Department of Community Affairs as  
43 a non-voting representative on the commission. The representative  
44 shall not be a resident of a municipality participating in the study.  
45 The department shall prepare an objective fiscal study of the fiscal  
46 aspects of a consolidation and shall provide it to the commission in  
47 a timely manner.

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1 f. If the consolidation would include the consolidation of  
2 boards of education, a person appointed by the Commissioner of  
3 Education shall serve as a non-voting member of that Municipal  
4 Consolidation Study Commission. The representative of the  
5 Commissioner of Education shall not be a resident of a community  
6 participating in the study. The county superintendent of schools  
7 shall conduct a study on the impact of consolidation on the  
8 educational system and its finances. The report shall be provided to  
9 the commission in a timely manner.

10 g. There shall be no more than one of either a consolidation  
11 plan study, a Municipal Consolidation Study Commission, or a joint  
12 municipal consolidation created under the "Municipal  
13 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.), active  
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22 permitting all parties to present testimony on the merits of their  
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24 by the board, another action from the same combination of  
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28 any other State agency shall take into account local conditions, the  
29 reasonableness of proposed decisions, and the facilitation of the  
30 consolidation process in making decisions concerning  
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32 (cf: P.L.2007, c.63, s.25)

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34 2. This act shall take effect immediately.

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STATEMENT

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39 This bill would permit municipalities seeking to petition the  
40 Local Finance Board for the formation of a Municipal  
41 Consolidation Study Commission under the "Uniform Shared  
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44 approval either through voter petition or application by a municipal  
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46 municipality submits an application by its governing body, any  
47 proposed consolidation plan must be approved by voter referendum  
48 in each of the municipalities. The bill ensures that the board will

**S2465 GORDON, BEACH**

5

- 1 not reject an application for formation of a commission when, for
- 2 example, one or more of the municipalities obtains approval by
- 3 petition and one or more obtains approval by application of the
- 4 municipal governing body.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

**SENATE, No. 2465**

**STATE OF NEW JERSEY**

DATED: JANUARY 20, 2011

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2465.

This bill permits municipalities seeking to petition the Local Finance Board for the formation of a Municipal Consolidation Study Commission under the “Uniform Shared Services and Consolidation Act,” to obtain board approval either through voter petition or application by a municipal governing body, in any combination. However, if each municipality submits an application by its governing body, any proposed consolidation plan must be approved by voter referendum in each of the municipalities. The bill ensures that the board will not reject an application for formation of a commission when, for example, one or more of the municipalities obtains approval by petition and one or more obtains approval by application of the municipal governing body.

# ASSEMBLY, No. 3587

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED DECEMBER 6, 2010

**Sponsored by:**

**Assemblywoman CONNIE WAGNER**

**District 38 (Bergen)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

**SYNOPSIS**

Permits combination of voter petitions and application by municipal governing body for approval of Municipal Consolidation Study Commission by Local Finance Board.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/4/2011)

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27 sufficient, shall be signed by the registered and qualified voters of  
28 the municipalities in a number at least equal to 10% of the total  
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30 election at which members of the General Assembly were elected.  
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29 municipality to be studied, and a joint public hearing in a place that  
30 is easily accessible to the residents of both or all of the  
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39 any of the municipalities affected by the plan, or at a regular  
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32 (cf: P.L.2007, c.63, s.25)

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#### STATEMENT

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**A3587 WAGNER, VAINIERI HUTTLE**

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2 example, one or more of the municipalities obtains approval by  
3 petition and one or more obtains approval by application of the  
4 municipal governing body.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3587**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 3, 2011

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 3587.

This bill would permit municipalities seeking to petition the Local Finance Board for the formation of a Municipal Consolidation Study Commission under the “Uniform Shared Services and Consolidation Act,” sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35), to obtain board approval either through voter petition or application by a municipal governing body, in any combination. However, if each municipality submits an application by its governing body, any proposed consolidation plan must be approved by voter referendum in each of the municipalities. The bill ensures that the board will not reject an application for formation of a commission when, for example, one or more of the municipalities obtains approval by petition and one or more obtains approval by application of the municipal governing body.