

Legislative Notes on N.J.S.A. 40:8A-1 et seq.
"Interlocal Services Act"

Previous Bills

A2362 (1971) - Died in Assembly State Gov't. Committee.

Laws of 1973, Chapter 208,, Bill No. S306

Pre-filed-by Schiaffo, Schluter, Musto, McGahn, Brown, Cafiero.

Jan. 17, 1972 - State Gov't. & Fed. & Interstate Relations Committee.

May 15, 1972 - Amended.

May 18, 1972 - Passed in Senate, amended.

- Received in Assembly State Gov't. Committee.

April 12, 1973 - Passed in Assembly.

Aug. 2, 1973 - Approved.

Sponsor's statement and amendments enclosed.

Governor's Statement Enclosed

Background materials:

The reports listed below were composed by the New Jersey County and Municipal Government Study Commission.

974.90 The New Jersey County and Municipal Governemnt Study
M966 Commission, January 1973.
1973a

974.90 Consolidation: Prospects and Problems, February 1972.
M966
1972

974.90 A practical guide to reaching joint services agreements,
M966 May 1971.
1971c

974.90 Joint Services--A Local response to area wide problems,
M966 September 1970.
1970m

974.90 County Government: Challenge and change, April 1969.
C857
1969

974.90 Creative localism: a prospectus, March 1968.
M966
1968

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STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1972 SESSION

By Senators SCHIAFFO, SCHLUTER, MUSTO, McGAHN,
BROWN and CAFIERO

AN Act permitting political subdivisions of this State to provide services jointly, amending the "Department of Community Affairs Act of 1966" (P. L. 1966, c. 293; C. 52:27D-1 et seq.), amending the "Consolidated Municipal Service Act" (P. L. 1952, c. 72; C. 40:48B-1 et seq.) and P. L. 1960, c. 3 supplementary thereto.

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

1 1. This act shall be known and may be cited as the "Inter-
2 local Services Act."

1 2. As used in this act, unless the context indicates otherwise:

2 a. "Local unit" means a municipality, county, school district
3 or a regional authority or district other than an interstate
4 authority or district.

5 b. "Governing body" means the board, commission, council or
6 other body having the control of the finances of a local unit;
7 and in those local units in which an executive officer is authorized
8 by law to participate in such control through powers of recom-
9 mendation, approval or veto, the term includes such executive
10 officer to the extent of such participation.

11 c. "Chief executive officer" means the mayor of a municipality,
12 the elected county executive of a county, the director of the board
13 of chosen freeholders in a county not having an elected county
14 executive, and the chairman or other presiding officer of any other
15 governing body.

16 d. "Service" means any of the powers, duties and functions
17 exercised or performed by a local unit by or pursuant
18 to law.

19 e. "Contract" means a contract authorized under section 3 of
20 this act.

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

1 3. Any local unit of this State may enter into a contract with
2 any other local unit or units for the joint provision within their
3 several jurisdictions of any service which any party to the agree-
4 ment is empowered to render within its own jurisdiction. An
5 autonomous authority, board, commission or district established
6 by and within a single local unit and providing service within
7 such local unit or a part thereof may become a party to such con-
8 tract with the consent of the governing body of the local unit,
9 by ordinance or resolution thereof adopted in the manner pro-
10 vided in section 4 of this act; and after such consent duly given,
11 such authority, board, commission or district may enter into such
12 contract by resolution without need of publication or hearing.

1 4. A party authorized to enter into a contract under section 3
2 of this act may do so by the adoption of an ordinance, if such party
3 is a municipality, or a resolution, if it is any other such party. A
4 resolution adopted pursuant to this section or section 3 need not
5 set forth the terms of the contract in full, but shall clearly identify
6 it by reference; and a copy of the contract shall be filed and open to
7 public inspection at the offices of the local unit immediately after
8 the introduction of any such resolution before the governing body.
9 The contract shall take effect upon the adoption of appropriate
10 ordinances or resolutions by all the parties thereto as set forth in
11 the contract document.

12 An ordinance or resolution adopted pursuant to this section shall
13 before final adoption be introduced in writing before the governing
14 body and passed upon first reading, which may be by title. Within
15 10 days thereafter it shall be published, together with a notice of
16 the date, time and place fixed for consideration of its final adoption.
17 Such publication shall include notification of the place at which
18 copies of the proposed contract are available for public inspection,
19 and the times at which such inspection is permitted. Publication
20 shall be in at least one newspaper of general circulation in the juris-
21 dictional or service area of the local unit at least 1 week prior to
22 the date fixed for consideration for final adoption. At the date
23 fixed for consideration of the ordinance or resolution for final
24 adoption, or at subsequent adjournment thereof, the governing
25 body shall hold a public hearing and shall then proceed to consider
26 the final adoption, which may be by majority vote of the governing
27 body, subject to any executive approval or veto, as referred to in
28 section 2 of this act.

1 5. The parties to a contract authorized by this act may agree to
2 provide jointly, or through the agency of one or more of them on
3 behalf of any or all of them, any service or aspect of a service

4 which any of the parties on whose behalf such services are to be
5 performed may legally perform for itself. Such services shall
6 include, but not be limited to, the areas of general government
7 administration, health, police and fire protection, code enforcement,
8 assessment and collection of taxes, financial administration, en-
9 vironmental services, joint municipal courts, youth, senior citizens,
10 welfare and social services programs. Nothing in this act shall be
11 deemed to amend or repeal any procedures for or powers of ap-
12 proval of any consolidated local service program which any State
13 agency may now exercise pursuant to law.

1 6. a. A contract made pursuant to this act shall specify:

2 (1) the exact nature and extent of the services to be performed
3 jointly or by one or more of the parties as agent for any other
4 party or parties;

5 (2) measurable standards of the level, quality and scope of such
6 performance, with specific assignment and allocation of responsi-
7 bility for meeting such standards between or among the parties;

8 (3) the estimated cost of such services throughout the duration
9 of the contract, with allocation thereof, to the parties, in dollar
10 amounts or by formula, including a time schedule for periodic
11 payment of installments of such allocations; which specification
12 may include provision for the periodic modification of estimates or
13 formulas contained therein in the light of actual experience and in
14 accordance with procedures to be specified in the contract;

15 (4) the duration of the contract, which shall ***[not exceed 7**
15A **years]*** **be for 7 years, unless otherwise agreed upon by the*
15B *parties;*

15C *(5) the procedure for payments to be made under the contract.**

16 b. Such contract may provide for binding arbitration or for
17 binding factfinding procedures to settle any disputes or questions
18 which may arise between the parties as to interpretation of the
19 terms of the contract or the satisfactory performance by any of the
20 parties of the services and other responsibilities provided for in
21 the contract.

22 c. For the purposes of this act, any party performing
23 a service under such a contract is the general agent of
24 any party or parties on whose behalf such service is per-
25 formed pursuant to the contract, and such agent party shall have
26 full powers of performance and maintenance of the service con-
27 tracted for and full powers to undertake any ancillary operation
28 reasonably necessary or convenient to carry out its duties, obliga-
29 tions and responsibilities under the contract, including all powers
30 of enforcement and administrative regulation which are or may be

31 exercised by the party on whose behalf it acts pursuant to the
 32 contract, except as such powers are limited by the terms of the
 33 contract itself, and except that no contracting party shall be liable
 34 for any part or share of the cost of acquiring, constructing or main-
 35 taining any capital facility acquired or constructed by an agent
 36 party unless such part or share is provided for in the contract or
 37 in an amendment thereto which shall have been ratified by the
 38 contracting parties in the manner provided in this act for entering
 39 into a contract.

40 d. Except as the terms of any contract may explicitly or by
 41 necessary implication provide, any party to a contract entered
 42 into pursuant to this act may enter into another contract or con-
 43 tracts with any other eligible parties for the performance of any
 44 service or services pursuant to this act; and participation in one
 45 such contract shall not bar participation with the same or other
 46 parties in any other contract.

1 7. a. Payment for services performed pursuant to a contract
 2 shall be made by and to such parties, and at such intervals, as shall
 3 be provided in the contract.

4 ***[b.** At the intervals so determined, the chief executive officer of
 5 each party to whom payment is due under the contract shall
 6 certify to the clerk or secretary of the governing body from which
 7 such payment is due the amount to be paid. Such sum shall be paid
 8 within 30 days from the receipt of such certification.]*

9 ***[c.]*** *b.* In the event of any dispute as to the amount to be
 10 paid, the full amount ***[certified shall]*** *to* be paid as provided
 11 in subsection ***[b.]*** *a.* of this section *shall be paid* ; but if
 12 through subsequent negotiation, arbitration or litigation the amount
 13 due shall be determined, agreed or adjudicated to be less than was
 14 actually so paid, the party having received the payment shall forth-
 15 with repay the excess ***[**, with interest accrued thereto at a rate per
 16 annum of 4 percentage points above the discount rate prescribed
 17 by the Federal Reserve Bank of New York at the time such final
 18 agreement, determination or adjudication was made]*.

1 **8. If any party performing a service on behalf of another party**
 2 **or parties to a contract utilizes the services of a private con-**
 3 **tractor to perform all or most of such service, or all or most of a**
 4 **specific and separate segment of the services so contracted for,**
 5 **such party shall be required to award the contract for the work**
 6 **to be performed by a private contractor under such contract**
 7 **in accordance with the "Local Public Contracts Law" (N. J. S.**
 8 **40A:11-1 et seq.).**

1 9. In the event that any authority, board, commission, district
 2 or other body created jointly by one or more local units proposes
 3 to enter into a contract under this act whereby such authority,
 4 board, commission, district or other body agrees to have performed
 5 on its behalf services the cost of which shall equal $\frac{1}{2}$ or more of
 6 the total costs of the services being performed by such authority,
 7 board, commission, district or other body immediately prior to
 8 the adoption of the proposed contract, the contract shall require
 10 approval by resolution of the governing body of each local unit
 11 which created such authority, commission, district, board, or other
 12 body or which has become a participant therein subsequent to its
 13 creation.

1 10. Section 9 of P. L. 1966, c. 293 (C. 52:27D-9) is amended
 2 to read as follows:

3 9. The department shall, in addition to other powers and duties
 4 invested in it by this act, or by any other law:

5 (a) Assist in the coordination of State and Federal activities re-
 6 lating to local government;

7 (b) Advise and inform the Governor on the affairs and problems
 8 of local government and make recommendations to the Governor
 9 for proposed legislation pertaining thereto;

10 (c) Encourage cooperative action by local governments, including
 11 joint service agreements, regional compacts and other forms of
 12 regional cooperation;

13 (d) Assist local government in the solution of its problems, to
 14 strengthen local self-government;

15 (e) Study the entire field of local government in New Jersey;

16 (f) Collect, collate, publish and disseminate information neces-
 17 sary for the effective operation of the department and useful to local
 18 government;

19 (g) Maintain an inventory of data and information and act as a
 20 clearing house and referral agency for information on State and
 21 Federal services and programs; [and]

22 (h) Stimulate local programs through publicity, education, guid-
 23 ance and technical assistance concerning Federal and State pro-
 24 grams;

25 (i) Convene meetings of municipal, county or other local officials
 26 to discuss ways of cooperating to provide service more efficiently
 27-28 and economically; and

29 (j) Maintain and make available on request a list of persons
 30 qualified to mediate or arbitrate disputes between local units of
 31 government arising from joint service projects or other cooperative

32 *activities, and further to prescribe rates of compensation for all*
 33 *such mediation, factfinding or arbitration services.*

1 11. Section 10 of P. L. 1960, c. 3 (C. 40:48B-1.1) is amended to
 2 read as follows:

3 10. The following terms wherever used or referred to in this
 4 act shall have the following respective meanings:

5 (1) "Governing body" shall mean the commission, council,
 6 board or body, by whatever name it may be known, having charge
 7 of the finances of a *county or municipality*.

8 (2) "Person" shall mean any person, association, corporation,
 9 nation, State, or any agency or subdivision thereof, or a *county or*
 10 *municipality of the State*.

11 (3) "Construct" and "construction" shall connote and include
 12 acts of construction, reconstruction, replacement, extension, im-
 13 provement and betterment of lands, public improvements, works,
 14 facilities, services or undertakings.

15 (4) "Operate" and "operation" shall mean and include ac-
 16 quisition, construction, maintenance, management and adminis-
 17 tration of any lands, public improvements, works, facilities, services
 18 or undertakings.

19 (5) "*Local unit*" shall mean any *municipality or county*.

1 12. Section 2 of P. L. 1952, c. 72 (C. 40:48B-2) is amended to
 2 read as follows:

3 2. a. The governing bodies of any two or more municipalities or
 4 *counties or combination of municipality or municipalities and*
 5 *county or counties* may [by substantially similar ordinances duly
 6 adopted by each of such governing bodies, within 6 calendar months
 7 after the first such ordinance is adopted, authorize the entering
 8 into of] *enter into* a joint contract for a period not to exceed 40
 9 years to provide for the formation of a joint meeting for the joint
 10 operation of any *public services*, public improvements, works,
 11 facilities[, services] or undertakings which any such [municipal-
 12 ity] *local unit* is empowered to operate. *Such contract shall be*
 13 *entered into in accordance with the procedures set forth for the*
 14 *entering into of joint service contracts in section 4 of the "Inter-*
 14A *local Services Aid Act"* (now pending before the Legislature as
 14B *Senate Bill No. 307*).

15 b. *A joint contract may provide for joint services in any service*
 16 *which any contracting local unit on whose behalf such services are*
 17 *to be performed is legally authorized to provide for itself. Such*
 18 ~~*services shall include but not be limited to general government ad-*~~
 19 ~~*ministration, health, police and fire protection, code enforcement,*~~
 20 ~~*assessment and collection of taxes, financial administration,*~~

21 *environmental protection, joint municipal courts, youth, senior*
22 *citizens and social welfare programs.*

23 c. **Such ordinance** *The joint contract shall set forth the public*
24 *services, public improvements, works, facilities*, **services** *or*
25 *undertakings which the participating municipalities contracting*
26 *local units desire to operate jointly, and shall provide in general*
27 *terms the manner in which the public services, public improve-*
28 *ments, works, facilities*, **services** *or undertakings shall be jointly*
29 *operated, and the respective duties and responsibilities of the con-*
30 *tracting local units.*

31 d. No **municipality may authorize the entering into of any**
32 **such joint contract providing for** *shall authorize the operation*
33 *of any property or service defined as a "public utility" by sec-*
34 *tion R. S. 48:2-13 of the Title Public Utilities of the Revised*
35 *Statutes of 1937, as amended*, except as may otherwise be pro-
36 *vided by law.*

1 13. Section 7 of P. L. 1960, c. 3 (C. 40:48B-2.1) is amended to
2 read as follows:

3 7. a. The joint meeting shall be a public body *corporate and*
4 *politic constituting a political subdivision of the State exercising*
5 *public and essential governmental functions to provide for the pub-*
6 *lic health and welfare. The joint meeting shall have the following*
7 *powers and authority, which may be exercised by the management*
8 *committee to the extent provided in the joint contract:*

9 **(a)** (1) To sue and be sued;

10 **(b)** (2) To acquire and hold real and personal property by
11 deed, gift, grant, lease, purchase, condemnation or otherwise;

12 **(c)** (3) To enter into any and all contracts or agreements
13 and to execute any and all instruments;

14 **(d)** (4) To do and perform any and all acts or things necessary,
15 convenient or desirable for the purposes of the joint meeting or to
16 carry out any powers expressly given in this act;

17 **(e)** (5) To sell real and personal property owned by the joint
18 meeting at public sale;

19 **(f)** (6) To operate all *services, lands, public improvements,*
20 *works, facilities*, **services** *or undertakings for the purposes and*
21 *objects of the joint meeting;*

22 **(g)** (7) To enter into a contract or contracts providing for or
23 relating to the use of its *services, lands, public improvements,*
24 *works, facilities*, **services** *or undertakings, or any part thereof,*
25 *by municipalities,* **local units** *who are not members of the joint*
26 *meeting, and other persons, upon payment of charges therefor as*
27 *fixed by the management committee;*

28 **[(h)]** (8) To receive such State or Federal aids or grants as
 29 may be available for the purposes of the joint meeting and to make
 30 and perform such agreements and contracts as may be necessary
 31 or convenient in connection with the application for, procurement,
 32 acceptance or disposition of such State or Federal aids or
 32A grants; *and*

33 **[(i)]** (9) To acquire, maintain, use and operate lands, public
 34 improvements, works or facilities in any municipality in the State,
 35 except where the governing body of such municipality, by resolution
 36 adopted within **[30]** 60 days after receipt of written notice of
 37 intention to so acquire, maintain, use or operate, shall find that the
 38 same would adversely affect the governmental operations and func-
 39 tions and the exercise of the police powers of such municipality.

40 *b. If the governing body of a municipality in which a joint meet-*
 41 *ing has applied for the location and erection of sewage treatment or*
 42 *solid waste disposal facilities refuses permission therefor or fails*
 43 *to take final action upon the application within 60 days of its filing,*
 44 *the joint meeting may, at any time within 30 days following the date*
 45 *of such refusal or the date of expiration of said period of 60 days,*
 46 *apply to the Department of Environmental Protection, which is*
 47 *authorized, after hearing the joint meeting and the municipality*
 48 *interested, to grant the application for the erection of the sewage*
 49 *treatment or disposal or solid waste treatment or disposal facilities,*
 50 *notwithstanding the aforesaid refusal or failure to act of the*
 51 *governing body, upon being satisfied that the topographical and*
 52 *other physical conditions existing in the local units comprising the*
 53 *joint meeting are such as to make the erection of such facilities*
 54 *within its boundaries impracticable as an improvement for the*
 55 *benefit of the whole applying joint meeting.*

1 14. Section 4 of P. L. 1952, c. 72 (C. 40:48B-4) is amended to
 2 read as follows:

3 4. The joint contract shall provide for the operation of the *public*
 4 *services*, public improvements, works, facilities**[, services]** or
 5 undertakings of the joint meeting, for the apportionment of the
 6 costs and expenses of operation required therefor among the con-
 7 tracting **[municipalities]** *local units*, for the addition of other
 8 ~~**[municipalities]**~~ *local units as members of the joint meeting*, for
 9 the terms and conditions of continued participation and discontinu-
 10 ance of participation in the joint meeting by the ~~contracting~~
 10A ~~**[municipalities]**~~ *local units*, and for such other terms and
 11 conditions as may be necessary **[and]** *or* convenient for the pur-
 12 poses of the joint meeting. The apportionment of costs and expenses
 13 may be based upon assessed valuations, population, and such other

14 factor or factors, or any combination thereof, as may be provided
 15 in the joint contract. The joint contract shall be subject to approval
 16 by resolution of the governing bodies of each of the [municipalities]
 17 *local units* prior to its execution by such official or officials as may be
 18 authorized to execute such joint contract. The joint contract shall
 19 specify the name by which the joint meeting shall be known. The
 20 joint contract may be amended from time to time by agreement of
 21 the parties thereto, in the same manner as the original contract
 22 was authorized and approved. A copy of every ordinance, reso-
 23 lution, joint contract and every amendment thereto shall be forth-
 24 with filed with the [Division of Local Government in the Depart-
 25 ment of the Treasury] *Commissioner of Community Affairs*.

1 15. Section 5 of P. L. 1952, c. 73 (C. 40:48B-5) is amended to
 2 read as follows:

3 5. The joint contract shall provide for the constitution and ap-
 4 pointment of a management committee to consist of one member
 5 to be appointed by the governing body of each of the [municipali-
 6 ties] *local units* executing same, who shall be a resident of the ap-
 7 pointing [municipality] *local unit*. Such appointee may or may not
 8 be a member of the appointing governing body. Each member of
 9 the management committee shall hold office for the term of 1 year
 10 and until his successor has been appointed and qualified. *In the*
 11 *event that only two local units are parties to the contract, the*
 12 *management committee shall consist of three members, one selected*
 13 *from each by the governing bodies and one member selected by the*
 14 *two other members.*

15 The management committee shall elect annually from among its
 16 members a chairman to preside over its meetings. The management
 17 committee may appoint such other officers and employees, including
 18 counsel, who need not be members of the management committee
 19 or members of the governing bodies or employees or residents of
 20 the [municipalities] *local units*, as it may deem necessary. The em-
 21 ployees appointed by the management committee shall hold office
 22 for such term not exceeding 4 years as may be provided by the joint
 23 contract. The management committee shall adopt rules and regula-
 24 tions to provide for the conduct of its meetings and the duties and
 25 powers of the chairman and such other officers and employees as
 26 may be appointed. All actions of the management committee shall
 27 be by vote of the majority of the entire membership of the com-
 28 mittee, except for those matters for which the contract requires a
 29 greater number, and shall be binding on all [municipalities] *local*
 30 *units* who have executed the joint contract. The management com-

31 mittee shall exercise all of the powers of the joint meeting subject
32 to the provisions of the joint contract.

33 The joint contract may provide for the delegation of the [manage-
34 ment, control or] administration of any or all of the *services*, lands,
35 public improvements, works, facilities[, *services*] or undertakings
36 of the joint meeting to the governing body of any one of the several
37 contracting [municipalities] *local units*, in which event such gov-
38 erning body shall have and exercise all of the powers and authority
39 of the management committee with respect to such delegated func-
40 tions.

1 16. Section 7 of P. L. 1952, c. 72 (C. 40:48B-7) is amended to
2 read as follows:

3 7. The cost of acquiring and constructing any public improve-
4 ments, works, facilities, *services* or undertakings, or any part
5 thereof, as determined by the management committee, shall be
6 apportioned among the participating [municipalities] *local units*
7 as provided by the joint contract. Each [municipality] *local unit*
8 shall have power to raise and appropriate the funds necessary
9 therefor in the same manner and to the same extent as such [mu-
10 nicipality] *local unit* would have if it were acquiring and con-
11 structing the same for itself, including the power to authorize and
12 issue bonds or other obligations pursuant to the local bond law
13 (*N. J. S. 40A:2-1 et seq.*). The management committee shall cer-
14 tify to the participating [municipalities] *local units* the cost of
15 such acquisition [of] or construction, as well as the apportioned
16 shares thereof, within 15 days after its action thereon.

1 17. Section 8 of P. L. 1952, c. 72 (C. 40:48B-8) is amended to
2 read as follows:

3 8. The management committee shall, not later than November 1
4 of each year, certify to the participating [municipalities] *local*
5 *units* the total costs and expenses of operation, other than acquisi-
6 tion and construction costs, of the *services*, public improvements,
7 works, facilities[, *services*] or undertakings for the ensuing year, in
8 accordance with the terms and provisions of the joint contract,
9 together with an apportionment of such costs and expenses of
10 operation among the participating [municipalities] *local units* in
11 accordance with the method of apportionment provided in the joint
12 contract. It shall be the duty of each participating [municipality]
13 *local unit* to include its apportioned share of such costs and ex-
14 penses of operation in its annual budget, and to pay over to the
15 management committee its apportioned share as provided in the
16 joint contract. Operations under the budget and related matters
17 shall be subject to and in accordance with rules of the Division of

18 Local **Government** *Finance*. For the first year of operation
19 under the joint contract, a participating **municipality** *local unit*
20 may adopt a supplemental or emergency appropriation for the
21 purpose of paying its apportioned share of the costs and expenses
22 of operation, if provision therefor has not been made in the annual
23 budget.

1 18. Section 9 of P. L. 1952, c. 72 (C. 40:48B-9) is amended to
2 read as follows:

3 9. The joint contract shall be terminated upon the adoption of a
4 resolution to that effect by the governing bodies of $\frac{2}{3}$ of the
5 **municipalities** *local units* then participating; *except that if only*
6 *two local units are then participating, adoption of a resolution by*
7 *both units shall be required to terminate the contract.* Such termina-
8 tion shall not be made effective earlier than the end of the fiscal
9 year next succeeding the fiscal year in which the last of the re-
10 quired number of **municipalities** *local units* adopts such reso-
11 lution.

1 19. It is the intent of the Legislature to facilitate and promote
2 interlocal and regional service agreements, and therefore the grant
3 of power under this act is intended to be as broad as is consistent
4 with general law relating to local government.

1 20. If any clause, sentence, paragraph, section or part of this
2 act shall be adjudged to be invalid by any court of competent juris-
3 diction, such judgment shall not affect, impair or invalidate the
4 remainder thereof, but shall be confined in its operation to the
5 clause, sentence, paragraph, section or part thereof directly in-
6 volved in the controversy in which such judgment shall have
7 rendered.

1 21. This act shall take effect immediately.

18 Local **[Government]** *Finance*. For the first year of operation
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Sponsor's STATEMENT

After a thorough study of local provision of services, the County and Municipal Government Study Commission has concluded that it is important to eliminate overlapping, duplication, waste and inadequate services from New Jersey local governments. Much of this can be done by promoting joint interlocal and areawide service administration. Until now this approach has not been successful in New Jersey. The commission's research indicates that this is largely due to lack of sufficient incentives. The "Interlocal Services Act" is an attempt to overcome these obstacles and to promote voluntary interlocal cooperation. The act is divided into two segments: The first contains new enabling legislation which would permit joint services provision on contractual

basis between or among all units of government; it also includes amendments to the Consolidated Municipal Services Act of 1952 (N. J. S. A. 40:48B-2 et seq.) to remove some ambiguities and restrictions from that act and make it more suitable for use today. (In 20 years since its passage only six programs were initiated under the Consolidated Municipal Services Act; therefore improvement is in order.)

The second segment of the act amends the powers of the Department of Community Affairs to include the right to convene meetings of local officials in any area to discuss ways of cooperating to provide services jointly, and it also empowers the department to maintain a list of personnel qualified to mediate disputes between municipalities arising from joint programs. It is hoped that this provision will obviate the risk of costly litigation which inhibits joint service provision at present.

A companion measure, the "Interlocal Services Aid Act," (Senate Bill No. 307) establishes a program for the purpose of paying for feasibility studies of joint program proposals, and then for aid to programs so established. The commission recommends that in the first year of the project aid only be given for feasibility studies and that thereafter funds be appropriated for operating aid as well. There is little doubt, that without significant State aid we will never obtain intermunicipal and area-wide programs in our major government services.

AUGUST 2, 1973

FOR RELEASE:
IMMEDIATE

Governor William T. Cahill today signed into law a bill to permit local governmental units to enter into contracts for the joint provision of services.

Entitled the Interlocal Services Act, and introduced by Senator Alfred S306 D. Schiaffo, (R., Bergen) the measure authorizes local governmental units, including municipalities, counties, school districts, and regional authorities and districts, to jointly provide any service which one of the units is empowered to render within its own jurisdiction.

In signing this new legislation, Governor Cahill expressed the hope that it would permit many local governmental units to upgrade the quality of the services they are required to provide, and would eliminate duplication of effort.

A resolution of the governing body, or an ordinance, if the unit concerned is a municipality, is necessary before a joint contract can be effectuated.

A copy of the proposed contract must be available for public inspection before adoption of such a resolution or ordinance, and public notice of the proposed action must be made at least one week before final action by the governing body. The new law also stipulates the items which must be covered by such joint service contracts, and permits the contracting parties to provide for binding arbitration or fact-finding procedures to settle disputes arising out of the contracts.

The Department of Community Affairs is authorized to convene meetings of local officials in any area to discuss possible methods of providing joint services. In addition, the Department may maintain a list of persons qualified to mediate disputes between local units arising out of joint service programs. These mediation procedures are intended to reduce the risk of costly litigation which has in the past inhibited local governments from entering into joint service contracts.

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