

# LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

## *LAWS of 1999*

**CHAPTER:** 60

**NJSA:**40:8B-14 to 40:8B-18

(Regional Efficiency Development Incentive Program)

**BILL NO:**A13 (Substituted for S1695 -- 1<sup>st</sup> Reprint)

**SPONSOR(S):**Garrett and Kramer

**DATE INTRODUCED:** December 3, 1998

**COMMITTEE:**

*ASSEMBLY:*Local Government & Housing; Appropriations

*SENATE:*----

**AMENDED DURING PASSAGE:**Yes

**DATE OF PASSAGE:**

*ASSEMBLY:*March 15, 1999

*SENATE:*March 22, 1999

**DATE OF APPROVAL:**April 13, 1999

**THE FOLLOWING ARE ATTACHED IF AVAILABLE:**

---

**FINAL TEXT OF BILL:** *Yes*3<sup>rd</sup> Reprint

(Amendments during passage denoted by superscript numbers)

---

**A13**

**SPONSORS STATEMENT:** *Yes*(Begins on page 4 of original bill)

**COMMITTEE STATEMENT:**

*ASSEMBLY:Yes*

**December 3, 1998**

**January 21, 1999**

*SENATE:No*

**FLOOR AMENDMENT STATEMENTS:***Yes*

**LEGISLATIVE FISCAL ESTIMATE:** *Yes*

---

**S1695**

**SPONSORS STATEMENT:** *Yes*(Begins on page 4 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *No*

**SENATE:** *Yes*

**February 18, 1999**

**March 18, 1999**

**FLOOR AMENDMENT STATEMENTS:***No*

**LEGISLATIVE FISCAL ESTIMATE:** *Yes*

**1<sup>st</sup> REPRINT** (Last Version)*Yes*

---

**GOVERNOR'S ACTIONS**

**VETO MESSAGE:** *No*

**GOVERNOR'S PRESS RELEASE ON SIGNING:** *Yes*

---

**THE FOLLOWING WERE PRINTED:**

*To check for circulating copies contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 102 or [refdesk@njstatelib.org](mailto:refdesk@njstatelib.org)*

**REPORTS:** *Yes*

**974.90 T235 1998e**

New Jersey. Property Tax Commission.

**Report of recommendations to Governor Christine Todd Whitman.**

September, 1998. Trenton, 1998.

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

---

P.L. 1999, CHAPTER 60, *approved April 13, 1999*  
Assembly, No. 13 (*Third Reprint*)

1 **AN ACT** concerning the regionalization of certain local government  
2 services, supplementing Title 40 of the Revised Statutes and  
3 making an appropriation.

4

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

7

8 1. This act shall be known and may be referred to as the "Regional  
9 Efficiency Development Incentive Act."

10

11 2. The Legislature finds and declares:

12 a. One of the most effective ways to reduce property taxes is  
13 through the regionalization, consolidation or sharing of services by  
14 counties, municipalities and school districts.

15 b. Before decisions are made by local officials concerning which  
16 services to regionalize or share, and with which partners to enter into  
17 shared services agreements, regional service or consolidation  
18 opportunities need to be studied and evaluated.

19 c. It is therefore a valid public purpose to establish a program to  
20 provide State aid, in the form of loans and grants, to local government  
21 units to assist them in making decisions concerning the most efficient  
22 ways to regionalize or share various services and to provide funding  
23 for one-time costs required by such agreements, in order to accelerate  
24 such agreements to the benefit of the local property taxpayers.

25

26 3. For the purposes of this act:

27 "Commissioner" means the Commissioner of Education with regard  
28 to local units that are school districts.

29 "Director" means the Director of the Division of Local Government  
30 Services in the Department of Community Affairs with regard to local  
31 units that are not school districts.

32 "Local unit" means any municipal government, county government,  
33 board of education, fire or other special district, or joint meeting.

34 "Regional service agreement" means any agreement between local  
35 units or local units and authorities, pursuant to the "Interlocal Services  
36 Act," P.L.1973, c.208 (C.40:8A-1 et seq.), the "Municipal

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ALH committee amendments adopted December 3, 1998.

<sup>2</sup> Assembly AAP committee amendments adopted January 21, 1999.

<sup>3</sup> Assembly floor amendments adopted February 18, 1999.

1 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.), the  
 2 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et  
 3 seq.) or any agreement between boards of education to provide  
 4 regional, consolidated, or joint services as may be allowed by law.

5  
 6 4. a. A local unit that plans to study or implement a regional  
 7 service agreement may apply to the commissioner or director, for  
 8 grants or loans to study regional service or consolidation opportunities  
 9 and to fund one-time start-up costs of regional or consolidated  
 10 services. The commissioner and the director shall establish a program  
 11 to be known as the Regional Efficiency Development Incentive  
 12 Program, or "REDI," to accomplish this purpose, and shall jointly or  
 13 separately, as appropriate, promulgate rules and regulations necessary  
 14 to effectuate the purposes of the program.

15 b. The commissioner and director shall provide guidelines and  
 16 procedures for the submission of REDI grant and loan applications.

17 c. Applications for regional service study funds:

18 (1) May require such local match of funds, as is determined by the  
 19 director or commissioner, for the studies if the director or  
 20 commissioner finds that the local unit is financially capable of  
 21 providing such matching funds.

22 (2) Shall not require a local match of funds for consolidation  
 23 studies under the "Municipal Consolidation Act," P.L.1977, c.435  
 24 (C.40:43-66.35 et seq.).

25 d. Applications for one-time start-up costs shall provide that:

26 (1) Local units may apply for financial assistance for the one-time  
 27 start-up costs necessary to implement regional services. Costs that  
 28 may be financed through the issuance of debt or capital lease  
 29 agreements shall be excluded from this program.

30 (2) The commissioner and director may set limits on aid awards  
 31 and negotiate the various provisions, costs, payment provisions, and  
 32 amounts of grants or loans to ensure that the regional service is cost  
 33 effective and in the public interest.

34 e. The commissioner and director may provide technical support  
 35 programs to assist local units in applying for grants or aid for studying  
 36 regional services.

37  
 38 5. <sup>2</sup>[a.]<sup>2</sup> There is created a Regional Efficiency <sup>1</sup>Development<sup>1</sup>  
 39 Incentive <sup>1</sup>[Program]<sup>2</sup>[program<sup>1</sup>]account<sup>2</sup> within the Property Tax  
 40 Relief Fund <sup>2</sup>[which shall be]as<sup>2</sup> a non-lapsing revolving account  
 41 which shall receive <sup>2</sup>[appropriations and repayments of loans as may  
 42 be determined necessary by the State Treasurer] monies as may be  
 43 credited to it from the Property Tax Relief Fund, the repayments of  
 44 loans made from the account, and any other funds as may be  
 45 appropriated to the account from time to time. Monies in the account  
 46 shall be appropriated for the purposes of this act.<sup>2</sup>

1       <sup>2</sup>[b. Each year the Legislature shall appropriate such funds for the  
2 REDI program as are necessary based upon certification by the  
3 commissioner and director, subject to the approval of the State  
4 Treasurer.]<sup>2</sup>

5  
6       6. <sup>2</sup>[There <sup>1</sup>[is] shall be<sup>1</sup> appropriated from the Property Tax  
7 Relief Fund <sup>1</sup>[the] a<sup>1</sup> sum <sup>1</sup>[of] approved by the Treasurer not to  
8 exceed<sup>1</sup> \$10,000,000 into the Regional Efficiency <sup>1</sup>Development<sup>1</sup>  
9 Incentive <sup>1</sup>[Program] program<sup>1</sup>, which shall be allocated to <sup>1</sup>the<sup>1</sup>  
10 REDI <sup>1</sup>program<sup>1</sup> for awards as shall be authorized by the  
11 commissioner and director pursuant to P.L. , c. (C. ) (now  
12 pending before the Legislature as this bill.)] The Director of the  
13 Division of Budget and Accounting shall credit to the Regional  
14 Efficiency Development Incentive (REDI) account from the Property  
15 Tax Relief Fund the amount of <sup>3</sup>[\$9,000,000]<sup>3</sup>\$10,000,000<sup>3</sup>. The  
16 amount in the REDI account is appropriated for allocation by the  
17 commissioner and the director for aid and loans to be awarded to local  
18 government units pursuant to P.L. , c. (C. )(now pending  
19 before the Legislature as this bill).<sup>2</sup>

20

21       7. This act shall take effect immediately.

22

23

24

25

26 Establishes Regional Efficiency Development Incentive (REDI)  
27 program to provide aid to local units to study regionalized services;  
28 appropriates \$10 million.

[First Reprint]

**ASSEMBLY, No. 13**

**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

INTRODUCED DECEMBER 3, 1998

**Sponsored by:**

**Assemblyman E. SCOTT GARRETT**

**District 24 (Sussex, Hunterdon and Morris)**

**Assemblyman PAUL KRAMER**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

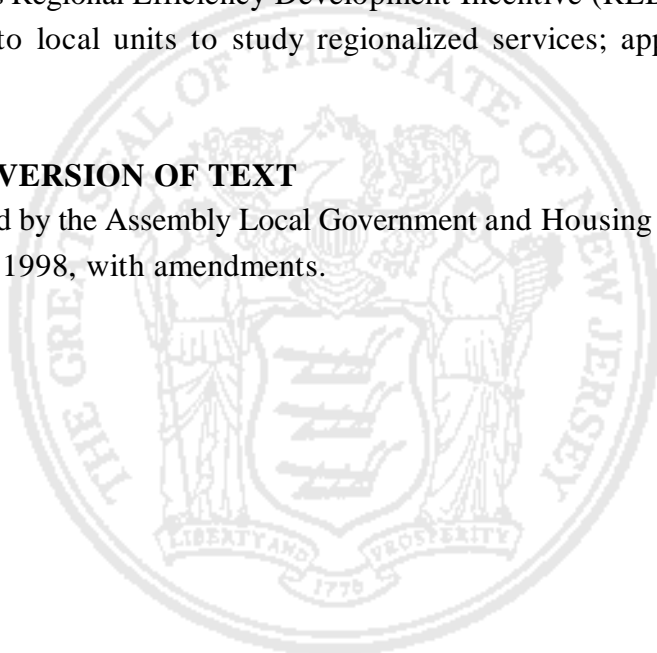
**Assemblymen Talarico, Garcia, Thompson, Doria and Assemblywoman Wright**

**SYNOPSIS**

Establishes Regional Efficiency Development Incentive (REDI) program to provide aid to local units to study regionalized services; appropriates \$10 million.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Local Government and Housing Committee on December 3, 1998, with amendments.



1 AN ACT concerning the regionalization of certain local government  
2 services, supplementing Title 40 of the Revised Statutes and  
3 making an appropriation.

4

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

7

8 1. This act shall be known and may be referred to as the "Regional  
9 Efficiency Development Incentive Act."

10

11 2. The Legislature finds and declares:

12 a. One of the most effective ways to reduce property taxes is  
13 through the regionalization, consolidation or sharing of services by  
14 counties, municipalities and school districts.

15 b. Before decisions are made by local officials concerning which  
16 services to regionalize or share, and with which partners to enter into  
17 shared services agreements, regional service or consolidation  
18 opportunities need to be studied and evaluated.

19 c. It is therefore a valid public purpose to establish a program to  
20 provide State aid, in the form of loans and grants, to local government  
21 units to assist them in making decisions concerning the most efficient  
22 ways to regionalize or share various services and to provide funding  
23 for one-time costs required by such agreements, in order to accelerate  
24 such agreements to the benefit of the local property taxpayers.

25

26 3. For the purposes of this act:

27 "Commissioner" means the Commissioner of Education with regard  
28 to local units that are school districts.

29 "Director" means the Director of the Division of Local Government  
30 Services in the Department of Community Affairs with regard to local  
31 units that are not school districts.

32 "Local unit" means any municipal government, county government,  
33 board of education, fire or other special district, or joint meeting.

34 "Regional service agreement" means any agreement between local  
35 units or local units and authorities, pursuant to the "Interlocal Services  
36 Act," P.L.1973, c.208 (C.40:8A-1 et seq.), the "Municipal  
37 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.), the  
38 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et  
39 seq.) or any agreement between boards of education to provide  
40 regional, consolidated, or joint services as may be allowed by law.

41

42 4. a. A local unit that plans to study or implement a regional

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Assembly ALH committee amendments adopted December 3, 1998.**

1 service agreement may apply to the commissioner or director, for  
2 grants or loans to study regional service or consolidation opportunities  
3 and to fund one-time start-up costs of regional or consolidated  
4 services. The commissioner and the director shall establish a program  
5 to be known as the Regional Efficiency Development Incentive  
6 Program, or "REDI," to accomplish this purpose, and shall jointly or  
7 separately, as appropriate, promulgate rules and regulations necessary  
8 to effectuate the purposes of the program.

9 b. The commissioner and director shall provide guidelines and  
10 procedures for the submission of REDI grant and loan applications.

11 c. Applications for regional service study funds:

12 (1) May require such local match of funds, as is determined by the  
13 director or commissioner, for the studies if the director or  
14 commissioner finds that the local unit is financially capable of  
15 providing such matching funds.

16 (2) Shall not require a local match of funds for consolidation  
17 studies under the "Municipal Consolidation Act," P.L.1977, c.435  
18 (C.40:43-66.35 et seq.).

19 d. Applications for one-time start-up costs shall provide that:

20 (1) Local units may apply for financial assistance for the one-time  
21 start-up costs necessary to implement regional services. Costs that  
22 may be financed through the issuance of debt or capital lease  
23 agreements shall be excluded from this program.

24 (2) The commissioner and director may set limits on aid awards  
25 and negotiate the various provisions, costs, payment provisions, and  
26 amounts of grants or loans to ensure that the regional service is cost  
27 effective and in the public interest.

28 e. The commissioner and director may provide technical support  
29 programs to assist local units in applying for grants or aid for studying  
30 regional services.

31

32 5. a. There is created a Regional Efficiency <sup>1</sup>Development<sup>1</sup>  
33 Incentive <sup>1</sup>Program program<sup>1</sup> within the Property Tax Relief Fund  
34 which shall be a non-lapsing revolving account which shall receive  
35 appropriations and repayments of loans as may be determined  
36 necessary by the State Treasurer.

37 b. Each year the Legislature shall appropriate such funds for the  
38 REDI program as are necessary based upon certification by the  
39 commissioner and director, subject to the approval of the State  
40 Treasurer.

41

42 6. There <sup>1</sup>is shall be<sup>1</sup> appropriated from the Property Tax Relief  
43 Fund <sup>1</sup>the a<sup>1</sup> sum <sup>1</sup>of approved by the Treasurer not to exceed<sup>1</sup>  
44 \$10,000,000 into the Regional Efficiency <sup>1</sup>Development<sup>1</sup> Incentive  
45 <sup>1</sup>Program program<sup>1</sup>, which shall be allocated to <sup>1</sup>the<sup>1</sup> REDI  
46 <sup>1</sup>program<sup>1</sup> for awards as shall be authorized by the commissioner and



**A13 [1R] GARRETT, KRAMER**

4

- 1 director pursuant to P.L. , c. (C. ) (now pending before the
- 2 Legislature as this bill).
- 3
- 4 7. This act shall take effect immediately.

ASSEMBLY LOCAL GOVERNMENT AND HOUSING  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 13**

with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 3, 1998

The Assembly Local Government and Housing Committee reports favorably with committee amendments Assembly Bill No. 13.

This bill, as amended by the committee, would require the Director of the Division of Local Government Services and the Commissioner of Education to establish a Regional Efficiency Development Incentive program, known as "REDI," to provide aid to local units to study regionalization and shared and consolidated services. The money could also be used as start-up funds for regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program. The Department of Community Affairs would be required to provide technical assistance to assist local units in applying for grants and studying regional services. The bill appropriates up to \$10,000,000, as approved by the State Treasurer based upon the certifications of the Commissioner of Education and the Director of the Division of Local Government Services in the Department of Community Affairs, into a Regional Efficiency Development Incentive program for the purposes of the bill.

The committee amended section 6 of the bill to mirror the appropriations language in section 9 of Assembly Bill No. 14, also reported by the committee on December 3, 1998. The committee also amended the bill to make a technical correction to the name of the program created by the bill.

This bill implements recommendations 2.1 and 2.2 of the September, 1998, Property Tax Commission Report.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## ASSEMBLY, No. 13

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JANUARY 21, 1999

The Assembly Appropriations Committee reports favorably Assembly Bill No. 13 with committee amendments.

Assembly Bill No. 13 (1R), as amended, requires the Director of the Division of Local Government Services and the Commissioner of Education to establish a Regional Efficiency Development Incentive program, known as "REDI," to provide aid to local units to study regionalization and shared and consolidated services. The money may also be used as start-up funds for regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program. The Department of Community Affairs (DCA) would be required to provide technical assistance to local units in applying for grants and studying regional services. The bill appropriates \$9,000,000, into a REDI program for the purposes of the bill.

This bill implements two recommendations of the September, 1998, Property Tax Commission Report.

### FISCAL IMPACT:

This bill makes a \$9,000,000 appropriation from the Property Tax Relief Fund. The Division of Local Government Services stated that it has no information on the potential cost since this will depend on the number of municipalities that apply for a share of the "seed" money. There may also be a matching-fund cost to the participating local units.

### COMMITTEE AMENDMENTS:

The amendments make certain language changes concerning the appropriation and allocation from the account. The amendments also reduce the appropriation to \$9 million.

STATEMENT TO  
[Second Reprint]  
**ASSEMBLY, No. 13**

with Assembly Floor Amendments  
(Proposed By Assemblymen GARRETT AND KRAMER)

ADOPTED: FEBRUARY 18, 1999

This amendment increases the appropriation to \$10 million from \$9 million.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## **ASSEMBLY, No. 13**

# **STATE OF NEW JERSEY**

## **208th LEGISLATURE**

DATED: APRIL 29, 1999

Assembly Bill No. 13 (1R) of 1998 would require the Director of the Division of Local Government Services and the Commissioner of Education to establish a Regional Efficiency Development Incentive program, known as "REDI," to provide aid to local units to study regionalization and shared and consolidated services. The money could also be used as start-up funds for regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program. The Department of Community Affairs would be required to provide technical assistance to assist local units in applying for grants and studying regional services. The bill appropriates up to \$10,000,000, as approved by the State Treasurer based upon the certifications of the Commissioner of Education and the Director of the Division of Local Government Services in the Department of Community Affairs, into a Regional Efficiency Development Incentive program for the purposes of the bill.

The Division of Local Government Services in the Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) that it has no information about the potential cost of the bill to the State, because the cost will depend upon the number of municipalities that apply for a share of the \$10,000,000 pot of "seed" money.

The OLS concurs with the DCA's analysis that the cost of the REDI program to the State will depend upon the number of municipalities that apply for a share of the \$10,000,000 pot of "seed" money. The OLS also notes that there may be a matching-fund cost to the participating local units, but presumes that the local units applying for the REDI funding will be aware of the potential matching fund cost, and be prepared to contribute such funds.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

# SENATE, No. 1695

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JANUARY 28, 1999

**Sponsored by:**

**Senator LEONARD T. CONNORS, JR.**  
**District 9 (Atlantic, Burlington and Ocean)**  
**Senator EDWARD T. O'CONNOR**  
**District 31 (Hudson)**

**Co-Sponsored by:**

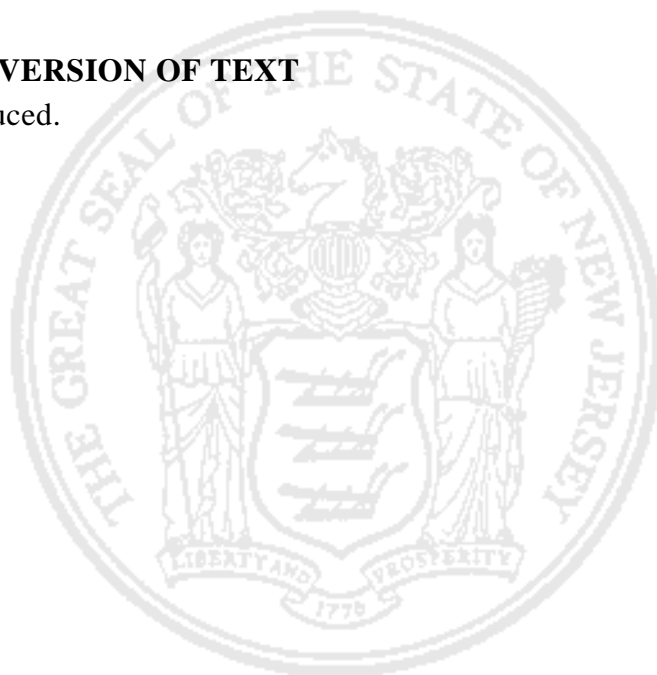
**Senators Sacco, Kenny, Kosco, Allen and Schluter**

**SYNOPSIS**

Establishes Regional Efficiency Development Incentive (REDI) program to provide aid to local units to study regionalized services; appropriates \$10 million.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the regionalization of certain local government  
2 services, supplementing Title 40 of the Revised Statutes and  
3 making an appropriation.

4

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

7

8 1. This act shall be known and may be referred to as the "Regional  
9 Efficiency Development Incentive Act."

10

11 2. The Legislature finds and declares:

12 a. One of the most effective ways to reduce property taxes is  
13 through the regionalization, consolidation or sharing of services by  
14 counties, municipalities and school districts.

15 b. Before decisions are made by local officials concerning which  
16 services to regionalize or share, and with which partners to enter into  
17 shared services agreements, regional service or consolidation  
18 opportunities need to be studied and evaluated.

19 c. It is therefore a valid public purpose to establish a program to  
20 provide State aid, in the form of loans and grants, to local government  
21 units to assist them in making decisions concerning the most efficient  
22 ways to regionalize or share various services and to provide funding  
23 for one-time costs required by such agreements, in order to accelerate  
24 such agreements to the benefit of the local property taxpayers.

25

26 3. For the purposes of this act:

27 "Commissioner" means the Commissioner of Education with regard  
28 to local units that are school districts.

29 "Director" means the Director of the Division of Local Government  
30 Services in the Department of Community Affairs with regard to local  
31 units that are not school districts.

32 "Local unit" means any municipal government, county government,  
33 board of education, fire or other special district, or joint meeting.

34 "Regional service agreement" means any agreement between local  
35 units or local units and authorities, pursuant to the "Interlocal Services  
36 Act," P.L.1973, c.208 (C.40:8A-1 et seq.), the "Municipal  
37 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.), the  
38 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et  
39 seq.) or any agreement between boards of education to provide  
40 regional, consolidated, or joint services as may be allowed by law.

41

42 4. a. A local unit that plans to study or implement a regional  
43 service agreement may apply to the commissioner or director, for  
44 grants or loans to study regional service or consolidation opportunities  
45 and to fund one-time start-up costs of regional or consolidated  
46 services. The commissioner and the director shall establish a program

1 to be known as the Regional Efficiency Development Incentive  
2 Program, or "REDI," to accomplish this purpose, and shall jointly or  
3 separately, as appropriate, promulgate rules and regulations necessary  
4 to effectuate the purposes of the program.

5 b. The commissioner and director shall provide guidelines and  
6 procedures for the submission of REDI grant and loan applications.

7 c. Applications for regional service study funds:

8 (1) May require such local match of funds, as is determined by the  
9 director or commissioner, for the studies if the director or  
10 commissioner finds that the local unit is financially capable of  
11 providing such matching funds.

12 (2) Shall not require a local match of funds for consolidation  
13 studies under the "Municipal Consolidation Act," P.L.1977, c.435  
14 (C.40:43-66.35 et seq.).

15 d. Applications for one-time start-up costs shall provide that:

16 (1) Local units may apply for financial assistance for the one-time  
17 start-up costs necessary to implement regional services. Costs that  
18 may be financed through the issuance of debt or capital lease  
19 agreements shall be excluded from this program.

20 (2) The commissioner and director may set limits on aid awards  
21 and negotiate the various provisions, costs, payment provisions, and  
22 amounts of grants or loans to ensure that the regional service is cost  
23 effective and in the public interest.

24 e. The commissioner and director may provide technical support  
25 programs to assist local units in applying for grants or aid for studying  
26 regional services.

27

28 5. a. There is created a Regional Efficiency Development Incentive  
29 program within the Property Tax Relief Fund which shall be a  
30 non-lapsing revolving account which shall receive appropriations and  
31 repayments of loans as may be determined necessary by the State  
32 Treasurer.

33 b. Each year the Legislature shall appropriate such funds for the  
34 REDI program as are necessary based upon certification by the  
35 commissioner and director, subject to the approval of the State  
36 Treasurer.

37

38 6. There shall be appropriated from the Property Tax Relief Fund  
39 a sum of approved by the Treasurer not to exceed \$10,000,000 into  
40 the Regional Efficiency Development Incentive Program program,  
41 which shall be allocated to the REDI program for awards as shall be  
42 authorized by the commissioner and director pursuant to P.L. , c.  
43 (C. ) (now pending before the Legislature as this bill).

44

45 7. This act shall take effect immediately.



STATEMENT

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

This bill, would require the Director of the Division of Local Government Services and the Commissioner of Education to establish a Regional Efficiency Development Incentive program, known as "REDI," to provide aid to local units to study regionalization and shared and consolidated services. The money could also be used as start-up funds for regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program. The Department of Community Affairs would be required to provide technical assistance to assist local units in applying for grants and studying regional services. The bill appropriates up to \$10,000,000, as approved by the State Treasurer based upon the certifications of the Commissioner of Education and the Director of the Division of Local Government Services in the Department of Community Affairs, into a Regional Efficiency Development Incentive program for the purposes of the bill.

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1695**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 18, 1999

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1695.

Senate Bill 1695, as amended by the committee, would require the Director of the Division of Local Government Services and the Commissioner of Education to establish a Regional Efficiency Development Incentive program, known as "REDI," to provide aid to local units to study regionalization and shared and consolidated services. The money could also be used as start-up funds for regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program. The Department of Community Affairs would be required to provide technical assistance to assist local units in applying for grants and studying regional services. The bill requires the Director of the Division of Budget and Accounting to credit to the Regional Efficiency Development Incentive account from the Property Tax Relief Fund \$10,000,000, for allocation by the commissioner and the director for aid and loans to be awarded to local government units.

The committee amendments change the funding mechanism to a REDI account within the Property Tax Relief Fund, which shall receive monies credited to it from that fund, from the repayments of loans made from the account, and from any other funds as may be appropriated to the account. The amendments also change the appropriation so that moneys shall be credited to the REDI account and appropriated therefrom, rather than being appropriated directly from the Property Tax Relief Fund.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1695**

# **STATE OF NEW JERSEY**

DATED: MARCH 18, 1999

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1695 (1R).

This bill would require the Director of the Division of Local Government Services in the Department of Community Affairs (with regard to local units that are not school districts) and the Commissioner of Education (with regard to school districts) to establish a Regional Efficiency Development Incentive Program, known as "REDI," to provide grants or loans to local units to study regionalization and shared or consolidated services, and to fund the start-up costs of regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program; no match would be required in the case of municipal consolidated studies. The director or the commissioner, as appropriate, would be required to provide technical assistance to assist local units in applying for grants and studying regional services.

The bill provides that \$10,000,000 from the Property Tax Relief Fund shall be credited to an account within the fund and appropriates the monies in that account for allocation by the director and the commissioner for aid and loans under the legislation.

This bill is identical to Assembly Bill No. 13 (3R).

### FISCAL IMPACT

The Division of Local Government Services in the Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) that it has no information about the potential cost of the bill to the State, because the cost will depend upon the number of municipalities that apply for a share of the \$10,000,000 pot of "seed" money.

The OLS concurs with the DCA's analysis that the cost of the REDI program to the State will depend upon the number of municipalities that apply for a share of the \$10,000,000 pot of "seed" money. The OLS also notes that there may be a matching-fund cost to the participating local units, but presumes that the local units applying for the REDI funding will be aware of the potential matching fund cost, and be prepared to contribute such funds.

# LEGISLATIVE FISCAL ESTIMATE

## SENATE, No. 1695

# STATE OF NEW JERSEY

## 208th LEGISLATURE

DATED: MAY 4, 1999

Senate Bill No. 1695 of 1999 would require the Director of the Division of Local Government Services and the Commissioner of Education to establish a Regional Efficiency Development Incentive program, known as "REDI," to provide aid to local units to study regionalization and shared and consolidated services. The money could also be used as start-up funds for regionalization or shared services agreements. The local units may be required to provide a match, in an amount determined by the director or commissioner, in order to receive funds from this program. The Department of Community Affairs would be required to provide technical assistance to assist local units in applying for grants and studying regional services. The bill appropriates up to \$10,000,000, as approved by the State Treasurer based upon the certifications of the Commissioner of Education and the Director of the Division of Local Government Services in the Department of Community Affairs, into a Regional Efficiency Development Incentive program for the purposes of the bill.

The Division of Local Government Services in the Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) that it has no information about the potential cost of the bill to the State, because the cost will depend upon the number of municipalities that apply for a share of the \$10,000,000 pot of "seed" money.

The OLS concurs with the DCA's analysis that the cost of the REDI program to the State will depend upon the number of municipalities that apply for a share of the \$10,000,000 pot of "seed" money. The OLS also notes that there may be a matching-fund cost to the participating local units, but presumes that the local units applying for the REDI funding will be aware of the potential matching fund cost, and be prepared to contribute such funds.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

[First Reprint]

**SENATE, No. 1695**

---

**STATE OF NEW JERSEY**

**208th LEGISLATURE**

---

INTRODUCED JANUARY 28, 1999

**Sponsored by:**

**Senator LEONARD T. CONNORS, JR.**

**District 9 (Atlantic, Burlington and Ocean)**

**Senator EDWARD T. O'CONNOR**

**District 31 (Hudson)**

**Co-Sponsored by:**

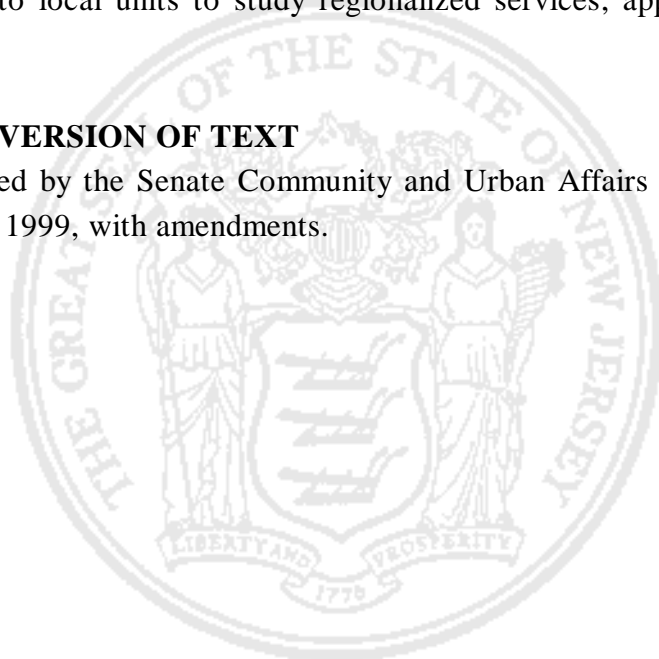
**Senators Sacco, Kenny, Kosco, Allen, Schluter, Kyrillos, Robertson and Baer**

**SYNOPSIS**

Establishes Regional Efficiency Development Incentive (REDI) program to provide aid to local units to study regionalized services; appropriates \$10 million.

**CURRENT VERSION OF TEXT**

As reported by the Senate Community and Urban Affairs Committee on February 18, 1999, with amendments.



**(Sponsorship Updated As Of: 3/23/1999)**

1 AN ACT concerning the regionalization of certain local government  
2 services, supplementing Title 40 of the Revised Statutes and  
3 making an appropriation.

4

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

7

8 1. This act shall be known and may be referred to as the "Regional  
9 Efficiency Development Incentive Act."

10

11 2. The Legislature finds and declares:

12 a. One of the most effective ways to reduce property taxes is  
13 through the regionalization, consolidation or sharing of services by  
14 counties, municipalities and school districts.

15 b. Before decisions are made by local officials concerning which  
16 services to regionalize or share, and with which partners to enter into  
17 shared services agreements, regional service or consolidation  
18 opportunities need to be studied and evaluated.

19 c. It is therefore a valid public purpose to establish a program to  
20 provide State aid, in the form of loans and grants, to local government  
21 units to assist them in making decisions concerning the most efficient  
22 ways to regionalize or share various services and to provide funding  
23 for one-time costs required by such agreements, in order to accelerate  
24 such agreements to the benefit of the local property taxpayers.

25

26 3. For the purposes of this act:

27 "Commissioner" means the Commissioner of Education with regard  
28 to local units that are school districts.

29 "Director" means the Director of the Division of Local Government  
30 Services in the Department of Community Affairs with regard to local  
31 units that are not school districts.

32 "Local unit" means any municipal government, county government,  
33 board of education, fire or other special district, or joint meeting.

34 "Regional service agreement" means any agreement between local  
35 units or local units and authorities, pursuant to the "Interlocal Services  
36 Act," P.L.1973, c.208 (C.40:8A-1 et seq.), the "Municipal  
37 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.), the  
38 "Consolidated Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et  
39 seq.) or any agreement between boards of education to provide  
40 regional, consolidated, or joint services as may be allowed by law.

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Senate SCU committee amendments adopted February 18, 1999.**

1 4. a. A local unit that plans to study or implement a regional  
2 service agreement may apply to the commissioner or director, for  
3 grants or loans to study regional service or consolidation opportunities  
4 and to fund one-time start-up costs of regional or consolidated  
5 services. The commissioner and the director shall establish a program  
6 to be known as the Regional Efficiency Development Incentive  
7 Program, or "REDI," to accomplish this purpose, and shall jointly or  
8 separately, as appropriate, promulgate rules and regulations necessary  
9 to effectuate the purposes of the program.

10 b. The commissioner and director shall provide guidelines and  
11 procedures for the submission of REDI grant and loan applications.

12 c. Applications for regional service study funds:

13 (1) May require such local match of funds, as is determined by the  
14 director or commissioner, for the studies if the director or  
15 commissioner finds that the local unit is financially capable of  
16 providing such matching funds.

17 (2) Shall not require a local match of funds for consolidation  
18 studies under the "Municipal Consolidation Act," P.L.1977, c.435  
19 (C.40:43-66.35 et seq.).

20 d. Applications for one-time start-up costs shall provide that:

21 (1) Local units may apply for financial assistance for the one-time  
22 start-up costs necessary to implement regional services. Costs that  
23 may be financed through the issuance of debt or capital lease  
24 agreements shall be excluded from this program.

25 (2) The commissioner and director may set limits on aid awards  
26 and negotiate the various provisions, costs, payment provisions, and  
27 amounts of grants or loans to ensure that the regional service is cost  
28 effective and in the public interest.

29 e. The commissioner and director may provide technical support  
30 programs to assist local units in applying for grants or aid for studying  
31 regional services.

32

33 5. <sup>1</sup>[a.]<sup>1</sup> There is created a Regional Efficiency Development  
34 Incentive <sup>1</sup>[program] account<sup>1</sup> within the Property Tax Relief Fund  
35 <sup>1</sup>[which shall be] as<sup>1</sup> a non-lapsing revolving account which shall  
36 receive <sup>1</sup>[appropriations and repayments of loans as may be  
37 determined necessary by the State Treasurer] monies as may be  
38 credited to it from the Property Tax Relief Fund, the repayments of  
39 loans made from the account, and any other funds as may be  
40 appropriated to the account from time to time. Monies in the account  
41 shall be appropriated for the purposes of this act<sup>1</sup>.

42 <sup>1</sup>[b. Each year the Legislature shall appropriate such funds for the  
43 REDI program as are necessary based upon certification by the  
44 commissioner and director, subject to the approval of the State  
45 Treasurer.]<sup>1</sup>

- 1       6. <sup>1</sup>【There shall be appropriated from the Property Tax Relief Fund  
2 a sum of approved by the Treasurer not to exceed \$10,000,000 into  
3 the Regional Efficiency Development Incentive Program program,  
4 which shall be allocated to the REDI program for awards as shall be  
5 authorized by the commissioner and director pursuant to P.L.     ,  
6 c. (C.     ) (now pending before the Legislature as this bill).】  
7 The Director of the Division of Budget and Accounting shall credit to  
8 the Regional Efficiency Development Incentive (REDI) account from  
9 the Property Tax Relief Fund the amount of \$10,000,000. The amount  
10 in the REDI account is appropriated for allocation by the  
11 commissioner and the director for aid and loans to be awarded to local  
12 government units pursuant to P.L.     , c. (C.     ) (now pending  
13 before the Legislature as this bill).<sup>1</sup>  
14  
15       7. This act shall take effect immediately.



PO BOX 004  
TRENTON, NJ 08625

*Office of the Governor*  
**NEWS RELEASE**

CONTACT: Jayne O'Connor  
609-777-2600  
Tom Damm @ DCA  
(609) 292-6055

RELEASE: April 13, 1999

**Governor Signs Bills to Reward Towns, Taxpayers for Sharing Services  
\$35 Million Package a Key to Property Tax**

Gov. Christie Whitman today signed legislation providing \$35 million in state aid to encourage local governments to share services and to reward taxpayers in communities that take such steps.

The Governor said the new laws will promote government efficiency and taxpayer savings in a state crowded with more than 1,600 units of local government.

"With these programs, local officials can begin to make the fundamental changes in service delivery that will lead to long- term property tax reform," said Gov. Whitman.

The bills include a \$10 million Regional Efficiency Development Incentive (REDI) program to finance shared services actions and a \$25 million Regional Efficiency Aid Program (REAP) to provide tax credits to citizens in communities that combine services. The funds are included in the Governor's proposed state budget.

The Governor signed two other bills to remove regulatory stumbling blocks to shared service agreements and consolidation efforts. The bills are an outgrowth of recommendations by the Governor's Property Tax Commission, which offered 60 proposals for controlling property taxes, many of which focused on shared services, consolidation and regionalization.

The Governor today signed the following bills:

**A-13**, sponsored by Assembly Members Scott Garrett (R-Sussex/Hunterdon/Morris) and Paul Kramer (R-Mercer/Middlesex) and Senators Leonard Connors (R-Atlantic/Burlington/Ocean) and Edward O'Connor (R-Hudson), creates the REDI program. REDI will provide \$10 million in grants and loans to finance studies or start-up costs for new shared or regional service agreements.

**A-14**, sponsored by Assembly Members Leonard Lance (R-Warren/Hunterdon/Mercer) and Joseph Roberts (D-Camden/Gloucester) and Senators Norman Robertson (R-Essex/Passaic) and Bernard Kenny (D-Hudson), creates the REAP initiative. REAP will provide \$25 million as additional, permanent state aid based on specific shared service initiatives. The amount of REAP aid earned will be apportioned among all residential taxpayers and will be reflected on their local property tax bills.

**A-12**, sponsored by Assembly Members Michael Arnone (R- Monmouth) and Gerald Luongo (R-Camden/Gloucester) and Senators Nicholas Sacco (D-Bergen/Hudson) and Walter Kavanaugh (R-

Morris/Somerset), permits municipalities, counties and certain school districts to offer an early retirement incentive to employees affected by regionalization efforts.

**A-11**, sponsored by Assembly Member Samuel Thompson (R-Middlesex/Monmouth) and Guy Talarico (R-Bergen) and Senators John Lynch (D-Middlesex/Somerset/Union) and Martha Bark (R-Atlantic/Burlington/Camden), streamlines the municipal consolidation process and lets municipal officials create commissions to study consolidation by ordinance rather than through referendum.

State Department of Community Affairs Commissioner Jane M. Kenny said the new programs will help local governments work together on behalf of their taxpayers.

"Local officials will now have the resources to wage battle against the glut of government and redundancy in service that unfairly burden their taxpayers," said Commissioner Kenny. "As the Property Tax Commission found, local leaders must be willing to take a hard look at how services are provided if we are to realize property tax reform. These laws are designed to make that process easier and more beneficial."

The REDI program will be administered by the state Division of Local Government Services in the Department of Community Affairs and by the state Department of Education. Any county, municipality, school district or fire or special district is eligible to apply for REDI funds.

Because of the anticipated appeal of REDI program, the legislation authorizes DCA and the Commissioner of Education to negotiate combinations of grants and loans, depending on the types and costs of the projects proposed. Both departments will provide technical assistance to help local officials develop regional and shared programs.

The REAP assistance, meanwhile, will be based on a formula that considers points for the specific service to be shared; the community's population; the dollar value of each point awarded, and bonus points if the community is fiscally distressed.

REAP aid will be payable to the residents of any county, municipality, school district or fire or special district that entered into a new shared or regional service agreement after July 1, 1997. The aid will be paid directly to residential taxpayers as a credit on their local property tax bills for each calendar year in which the regional service agreement is in effect.