

40:43-66.35 et al

LEGISLATIVE HISTORY CHECKLIST

MISA 40:43-66.35 et al ( "Municipal Consolidation Act.")

LAWS OF 1977 CHAPTER 435

Bill No. S580

Sponsor(s) Martindell & Musto

Date Introduced Pre-filed

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Senate County & Municipal Government

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CHAPTER 135 LAWS OF N. J. 19 77  
APPROVED 3-1-78

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 580**  
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**STATE OF NEW JERSEY**

ADOPTED NOVEMBER 28, 1977

AN ACT authorizing the establishment of joint municipal consolidation study commissions with powers to study and make recommendations regarding the consolidation of municipalities, authorizing State financial assistance for certain purposes pertaining thereto, amending the "Interlocal Services Aid Act," approved December 6, 1973 (P. L. 1973, c. 289) and N. J. S. 40A:4-53, supplementing Title 40 of the Revised Statutes, and repealing chapter 38 of Title 19 of the Revised Statutes and P. L. 1939, c. 343 as amended and supplemented.

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 "Municipal  
2 Consolidation Act."

1 2. The Legislature hereby finds and declares that it is in the  
2 public interest to encourage contiguous municipalities to consider  
3 consolidation as a means of insuring more rational control of  
4 growth and development, more efficient provision of local services  
5 and more effective public administration; that the existing laws  
6 of this State are inadequate to encourage local consideration of  
7 consolidation in many instances where such action might be desir-  
8 able; and, that the State should provide technical and financial  
9 assistance to encourage such consideration in those instances where  
10 it may be appropriate, and where voluntarily agreed to by the  
11 municipalities involved.

12 The Legislature further declares that, since political and admin-  
13 istrative consolidation of separate municipalities is an act of high  
14 public importance to which are attached many unforeseen difficulties  
15 and obstacles, the successful completion of a plan of consolidation,  
16 once approved by a vote of the residents of the municipalities  
17 involved, shall constitute a public purpose of this State; and,  
18 therefore, that the grant of powers under this act is intended to

19 be as broad as is consistent with the Constitution of New Jersey  
20 and with general law relating to local government, and shall be  
21 construed as liberally as possible in regard to the consolidated  
22 municipality's right to organize its own form of government, to  
23 organize its structure and to alter or abolish previously existing  
24 municipal agencies, subject to the general mandate of performing  
25 services and to the provisions of the plan of consolidation approved  
26 by the voters.

1 3. As used in this act, unless the context requires another or  
2 different meaning:

3 a. "Commissioner" means the Commissioner of Community  
4 Affairs;

5 b. "Consolidated municipality" means the single new munici-  
6 pality that results from an affirmative consolidation effort pursuant  
7 to the provisions of this act;

8 c. "Consolidation commission," or "commission," means a joint  
9 municipal consolidation study commission created pursuant to the  
10 provisions of this act;

11 d. "Department" means the Department of Community Affairs;

12 e. "Eligible consolidated municipality" means a municipality  
13 consolidated pursuant to the provisions of this act under a plan  
14 approved by the department; and,

15 f. "Participating municipalities" means any two or more munici-  
16 pality involved in a consolidation effort, or which have been  
17 consolidated together into a consolidated municipality, pursuant  
18 to the provisions of this act.

1 4. Any two or more contiguous municipalities in the same county  
2 may be consolidated into a single municipality pursuant to the  
3 provisions of this act.

1 5. The governing body of any municipality proposing to con-  
2 solidate with one or more other municipalities may, by ordinance,  
3 propose the formation of a joint municipal consolidation study  
4 commission as provided for in section 7 of this act. The ordinance  
5 shall state that the governing body is seeking the formation of a  
6 joint municipal consolidation study commission pursuant to the  
7 provisions of this act, and shall name the municipalities for which  
8 a consolidation study is proposed. Upon adoption of such ordi-  
9 nance, the clerk of the municipality adopting the ordinance shall  
10 forthwith transmit a certified copy thereof to the municipal clerk  
11 of each of the other municipalities named in the ordinance and to  
12 the clerk of the county in which such municipalities are located.

1 6. The registered voters of any municipality may, by petition,  
2 propose the formation of a joint municipal consolidation study  
3 commission. The petition, or each petition paper, as the case may  
4 be, shall state the purpose of the petition, and shall name the  
5 municipalities for which a consolidation study is proposed. The  
6 petition to be sufficient shall be signed by the registered and quali-  
7 fied voters of the municipality in a number at least equal to 10%  
8 of the total votes cast in the municipality at the last preceding  
9 general election at which members of the General Assembly were  
10 elected. The petition shall be filed with the clerk of the municipality  
11 who shall, upon said filing, forthwith ascertain and certify the  
12 number and validity of the signatures affixed thereto. If the peti-  
13 tion is determined to be insufficient, the person designated in the  
14 petition for such purpose shall have 10 days from the notification  
15 of insufficiency to file a supplementary petition designed to rectify  
16 such insufficiency, which shall be in the same form and shall be  
17 filed in the same manner as the original petition. If no supplemen-  
18 tary petition is filed within 10 days after such notification of  
19 insufficiency, or if the clerk shall, within 5 days after such a sup-  
20plementary petition is filed, examine it and determine it to be still  
21 insufficient, the clerk shall file his certificate of insufficiency in his  
22 office and notify such person of the insufficiency. A finding of in-  
23sufficiency shall not prejudice the filing of a new petition for the  
24 same purpose, provided that such new petition otherwise conforms  
25 to the requirements of this act.

26 If the petition is determined to be sufficient, the clerk of the  
27 municipality shall so certify, and shall forthwith transmit a certi-  
28 fied copy to the governing body of the municipality, to the municipal  
29 clerk of each of the other municipalities named in the petition, and  
30 to the clerk of the county in which such municipalities are located.

1 7. If, within 1 year after the date on which the first ordinance,  
2 pursuant to section 5 of this act, or the first petition, pursuant to  
3 section 6 of this act, is filed with the clerk of the county, either an  
4 ordinance or a certified petition is transmitted to the county clerk  
5 by each of the other municipalities named in the first such ordi-  
6 nance or petition, the question of forming a consolidation com-  
7 mission shall be submitted to the voters of each of the municipalities  
8 named in such ordinances or petitions in the following form:

9 "Shall a joint municipal consolidation study commission be  
10 formed to study the feasibility of consolidating (insert the names  
11 of each of the municipalities named in such ordinances or petitions)  
12 into a single new municipality, to study the question of the form

13 of government under which such new municipality should be gov-  
14 erned, to study the feasibility of consolidating the local school dis-  
15 tricts of the aforesaid municipalities, and to make recommendations  
16 thereon; or, in the alternative, to make recommendations on the  
17 consolidation of certain municipal services?"

18 The question shall be submitted to the voters of each municipal-  
19 ity so named in the ordinances or petitions on the date for the next  
20 general election or on the date for the next regular municipal  
21 election, whichever shall first occur at least 60 days after the date  
22 of the filing with the county clerk of the final ordinance or petition  
23 necessary to require the submission of the question to the voters.  
24 Nothing herein contained shall be construed to prevent the sub-  
25 mission of the question of forming a consolidation commission to  
26 the voters of the municipalities named in any combination of such  
27 ordinances and petitions, provided that such ordinances and pe-  
28 titions are substantively similar.

1 8. Municipal members of a consolidation commission shall be  
2 elected by the qualified voters at the same time as the public ques-  
3 tion is submitted.

4 Duly nominated candidates for the office of commission member  
5 shall be placed upon the ballot containing the public question in  
6 the same manner as is provided by law for candidates nominated  
7 by petition for other elective offices of a single municipality, ex-  
8 cept that they shall be listed without any designation or slogan.  
9 Each voter shall be instructed to vote on the question and, regard-  
10 less of the manner of his vote on the question, to vote for the  
11 elected members of a commission.

1 9. a. The candidates for a consolidation commission from each  
2 participating municipality shall be registered voters of that munici-  
3 pality. They may be nominated by petitions signed by the regis-  
4 tered and qualified voters of the municipality in a number at least  
5 equal to 5% of the total votes cast in the municipality at the last  
6 preceding general election at which members of the General  
7 Assembly were elected, and filed with the municipal clerk not less  
8 than 40 days prior to the date of the election.

9 b. Each nominating petition shall set forth the names, places of  
10 residence, and post-office addresses of the person or persons therein  
11 nominated, and a statement that the nomination is for the office  
12 of commission member and that the petitioners are registered  
13 voters of the municipality. Every voter signing a nominating peti-  
14 tion shall, in addition to his signature, give his place of residence,  
15 post-office address and street number, if any.

16 c. Before filing with the municipal clerk, each nominating peti-  
17 tion shall have fixed or appended thereto, or, if the same person or  
18 persons are named in more than one petition, fixed or appended to  
19 one of such petitions, a written acceptance of such nomination  
20 signed by the person or persons nominated therein. Such accept-  
21 ance shall certify that the nominee is a registered voter of the  
22 municipality, that the nominee consents to stand as a candidate at  
23 the election and that, if elected, he agrees to take office and serve.

24 d. Each nominating petition shall be verified by an oath or  
25 affirmation of one or more of the signers thereof, taken and sub-  
26 scribed before a person qualified under the laws of New Jersey to  
27 administer an oath, to the effect that the petition was signed by  
28 each of the signers thereof in his proper handwriting, that the  
29 signers are, to the best knowledge and belief of the affiant,  
30 registered voters of the municipality, and that the petition is pre-  
31 pared and filed in good faith for the sole purpose of endorsing the  
32 person or persons named therein for election as stated in the  
33 petition.

34 e. If any nominating petition, or any oath, affirmation or written  
35 statement attached thereto, is defective, the person designated in  
36 the petition for such purpose may cause such petition or oath,  
37 affirmation or written statement to be amended in the manner pre-  
38 scribed for the amendment of defective petitions for nominating  
39 candidates for general elections in R. S. 19:13-13.

1 10. The public question submitted to the voters pursuant to sec-  
2 tion 7 of this act shall be deemed adopted, and a consolidation  
3 commission formed, if a majority of the votes cast on the question  
4 in each of the municipalities in which the question is submitted  
5 shall be in the affirmative.

1 11. The membership of a joint municipal consolidation study  
2 commission formed pursuant to the provisions of this act shall con-  
3 sist of five members from each participating municipality.

4 The five candidates for commission member receiving the  
5 greatest number of votes shall be elected and shall constitute the  
6 commission members from the participating municipality in which  
7 they reside, provided that if a majority of those voting on the  
8 public question in any of the municipalities in which the question  
9 was submitted shall have voted against the formation of a com-  
10 mission, none of the candidates in any of the municipalities shall  
11 be elected. In the instance that the vote for commission members  
12 should result in six or more candidates in any one participating  
13 municipality receiving sufficient votes to be elected, then those

14 candidates receiving the least and equal number of votes shall draw  
15 lots to determine which shall be elected.

1 12. The results of the election in each municipality in which the  
2 question was submitted shall be certified in accordance with Title  
3 19 of the Revised Statutes, and the county clerk shall, in turn, not  
4 more than 5 days after said certification, notify the Commissioner  
5 of Community Affairs of said election results.

1 13. The Commissioner of Community Affairs shall appoint a  
2 person to act as his representative to the commission. The com-  
3 missioner's appointee shall not be a member or an officer of the  
4 commission, shall not be a resident of any of the participating  
5 municipalities, but shall participate in all meetings, activities and  
6 proceedings of the commission.

1 14. As soon as possible and in any event no later than 15 days  
2 after the election of its members, the consolidation commission  
3 shall organize and hold its first meeting. The commission shall  
4 elect from its membership a chairman and a vice-chairman. The  
5 commission shall fix its hours and places of meeting, adopt such  
6 rules for the conduct of its business as it may deem necessary and  
7 advisable, and appoint a secretary, who need not be a member of  
8 the commission. A majority of the total membership of the com-  
9 mission shall constitute a quorum for the transaction of business,  
10 but no recommendation of said commission shall have any legal  
11 effect pursuant to this act, unless adopted by a majority of the  
12 five commission members from each of the participating muni-  
13 palities.

14 At its first meeting, or as soon thereafter as possible, the com-  
15 mission shall establish a schedule for the conduct of its business  
16 which shall take into account the following mandatory dates:

17 a. The 5 month date set forth in section 20 of this act by which  
18 the Department of Community Affairs is required to report its  
19 fiscal findings to the commission;

20 b. The 6 month date set forth in section 21 of this act by which  
21 the commission is required to make a preliminary report to the  
22 department and to the governing bodies of the participating  
23 municipalities;

24 c. The 8 month date set forth in section 21 of this act by which  
25 the department is required to provide its evaluative statement to  
26 the commission; and,

27 d. The 9 month date set forth in section 22 of this act by which the  
28 commission is required to submit its final report.

29 A copy of such schedule shall be filed with the commissioner and  
30 with the clerk of each of the participating municipalities within 30  
31 days after the first meeting.

1 15. In case of any vacancy in the membership of the commission,  
2 the governing body of the participating municipality in which the  
3 vacancy occurred shall, within 10 days after notification of such  
4 vacancy, fill it by appointing thereto a registered voter of said  
5 municipality.

1 16. It shall be the duty and function of the joint municipal  
2 consolidation study commission to study the question and feasibility  
3 of consolidating the participating municipalities into a single new  
4 municipality. In carrying out its duties and functions, the com-  
5 mission shall also study the plans or forms of government available  
6 under the "Optional Municipal Charter Law" (P. L. 1950, c. 210;  
7 C. 40:69A-1 et seq.), the "commission form of government law"  
8 (R. S. 40:70-1 et seq.), the "municipal manager form of govern-  
9 ment law" (R. S. 40:79-1 et seq.), and the plans or forms of  
10 government of the participating municipalities, and shall exercise  
11 all of the functions and powers of a charter commission under this  
12 act and under the "Optional Municipal Charter Law," insofar as  
13 the provisions of that law may be consistent with the provisions of  
14 this act. The commission shall prepare a report setting forth its  
15 findings and recommendations. Should the commission determine to  
16 recommend the consolidation of the participating municipalities  
17 into a single municipality, the commission shall in such report  
18 recommend a plan of consolidation which shall set forth:

19 a. The name, type, plan or form of government of the proposed  
20 new municipality;

21 b. Details of adjustment of the indebtedness and other obligations  
22 of the participating municipalities, and if appropriate, of the  
23 school districts therein, in such manner as to preserve a fair and  
24 equitable burden of taxation for debt service;

25 c. The transfer of property and assets of the participating  
26 municipalities to the proposed new municipality, and, if appro-  
27 priate, from their constituent school districts to the proposed new  
28 school district;

29 d. The extent to which participating municipalities may autho-  
30 rize or issue bonds or other obligations or incur contractual duties  
31 during the period between the date of the election held pursuant  
32 to section 25 of this act and the date of consolidation as provided  
33 for in section 29 of this act;

34 e. Any adjustments or changes in offices, positions, or employ-  
35 ment, including the abolition thereof that may be necessitated by the  
36 consolidation;

37 f. The number and manner of election of the members of the  
38 governing body of the proposed new municipality, including, if  
39 appropriate, the designation of the number of wards into which the  
40 proposed consolidated municipality is to be divided, which shall be  
41 consistent with the plan or form of government recommended and  
42 shall be in accordance with law;

43 g. Those ordinances, rules and regulations of the participating  
44 municipalities which may be adopted by the governing body of the  
45 consolidated municipality to temporarily take effect within the  
46 consolidated municipality; and,

47 h. In accordance with the pertinent provisions of Title 18A of  
48 the New Jersey Statutes and the provisions of this act: the manner  
49 of school district consolidation, if any; the type of school district  
50 or districts to be operated by or in the consolidated municipality;  
51 and, the number of school board members of the recommended  
52 school district or districts as shall be necessary.

1 17. The commission shall hold its meetings and hearings in  
2 accordance with the provisions of the "Open Public Meetings Act"  
3 (P. L. 1975, c. 231; C. 10:4-6 et seq.), and shall generally provide  
4 for the widest possible public information and discussion with  
5 regard to the purposes and progress of its work.

6 The commission shall have the power to take testimony and  
7 issue subpoenas; to compel the attendance of officers and employees  
8 of the participating municipalities; to compel the production of  
9 all books, documents and other papers of the participating munici-  
10 palities; and, to administer oaths to persons appearing before it  
11 to testify. Any such subpoenas shall be enforceable, and misconduct  
12 of a witness may be dealt with, in the manner provided by the  
13 "County and Municipal Investigations Law" (P. L. 1953, c. 38;  
14 C. 2A:67A-1 et seq.).

1 18. Members of the consolidation commission shall serve without  
2 compensation, but shall be reimbursed for necessary expenses  
3 incurred by them in the performance of their official duties.

1 19. a. The joint municipal consolidation study commission shall  
2 prepare a proposed budget for its activities showing anticipated  
3 expenses and anticipated receipts of funds from all sources, which  
4 shall be submitted to the governing bodies of the participating  
5 municipalities for their review. The governing bodies shall ap-  
6 prove a budget for the commission within 30 days of submission  
7 thereof. To the extent that funds from other sources are not

8 adequate to cover the expenses of the commission, expenses ap-  
9 proved by the governing bodies of the participating municipalities  
10 shall be apportioned among such municipalities according to the  
11 proportion that the assessed valuation of all taxable real property  
12 within each such municipality bears to the total assessed valuation  
13 of all such property within all participating municipalities. Such  
14 apportionment shall be based upon the most current abstract of  
15 ratables prepared for the purpose of levying taxes in the respective  
16 participating municipalities.

17 b. The commission may apply for and accept a State grant from  
18 the Department of Community Affairs to conduct a feasibility study  
19 or studies, or may request the department to conduct such study  
20 or studies in accordance with the provisions of sections 5 and 6 of  
21 the "Interlocal Services Aid Act" (P. L. 1973, c. 289; C. 40:8B-5  
22 and 40:8B-6). The commission may also accept privately con-  
23 tributed funds, and any Federal assistance or grants that may be  
24 available. Participating municipalities shall be reimbursed, in  
25 the same manner prescribed in subsection a. for apportioning com-  
26 mission expenses among such municipalities, for any advance pay-  
27 ments made by such municipalities to the commission in anticipation  
28 of the commission's receipt of revenues from such sources as are  
29 set forth in this subsection, if funds from such source were included  
30 as a revenue item in the commission's budget approved by the par-  
31 ticipating municipalities. Reimbursement shall be made immedi-  
32 ately upon receipt of such anticipated revenues.

33 c. The participating municipalities shall make available to the  
34 commission such facilities and such professional, technical and  
35 clerical assistance as said municipalities may jointly agree.

36 d. Within the limits of available funds, the commission may  
37 appoint a secretary, consultants and such other clerical and pro-  
38 fessional assistants as it may require, who shall serve at the  
39 pleasure of the commission. The commission may fix a reasonable  
40 compensation to be paid for such services. Any commission  
41 established pursuant to the provisions of this act shall not be  
42 subject to the provisions of the "Local Public Contracts Law"  
43 (P. L. 1971, c. 198; C. 40A:11-1 et seq.), or to the provisions of  
44 Title 11 (Civil Service) of the Revised Statutes.

45 e. All expenditures of funds by the commission shall be subject  
46 to audit in the same manner as municipal expenditures.

47 f. Amounts necessary to fund budget requests made by a com-  
48 mission pursuant to the provisions of this section may be appro-  
49 priated by participating municipalities as emergency appropria-  
50 tions pursuant to N. J. S. 40A:4-53.

1 20. a. The Department of Community Affairs shall, within 5  
2 months from the date of its receipt of the election results establish-  
3 ing a commission pursuant to section 10 of this act, prepare an  
4 objective study of the fiscal aspects of the proposed consolidation,  
5 and shall report its findings to the commission.

6 b. The department shall, to every possible extent, advise and  
7 cooperate with any consolidation commission created pursuant to  
8 this act and shall make available its facilities, records, and technical  
9 and professional resources. The department shall consider  
10 promptly any commission application for a State grant to conduct,  
11 or any commission request for the department to conduct, any other  
12 feasibility study or studies consistent with the provisions of this  
13 act; provided, however, that whenever any such study or studies  
14 are to be conducted by a party other than the department, said  
15 party shall be approved by, and conduct such study or studies  
16 under the supervision of, the department, and the amount of State  
17 financial assistance therefor, shall not exceed in the aggregate  
18 75% of the cost of such study or studies. Upon approval of such  
19 study or studies, the commissioner shall certify the amount ap-  
20 proved therefor to the State Treasurer, who shall make immediate  
21 payment thereon. Any application for financial assistance sub-  
22 mitted by a commission created pursuant to this act shall have  
23 first claim on any moneys appropriated under the "Interlocal  
24 Services Aid Act" which have not been expended or committed  
25 at the time of application. At the written request of such a com-  
26 mission, a reservation of moneys shall be made by the commissioner  
27 prior to the formal filing of an application therefor by such  
28 commission.

1 21. a. The consolidation commission shall make a preliminary  
2 report and recommendations, not later than 6 calendar months from  
3 the date of its election, to the Commissioner of Community Affairs,  
4 who shall review same and shall indicate to the commission in  
5 writing whether or not the report and recommendations accurately  
6 reflect the department's findings concerning the fiscal aspects of the  
7 proposed consolidation. The preliminary report and recommenda-  
8 tions shall be returned to the commission together with the depart-  
9 ment's written statement thereon. The commission may respond in  
10 writing to the department's written statement, may amend the  
11 report and recommendations in such manner as it deems appro-  
12 priate, and shall submit its final report to the department. Following  
13 his receipt of the final report, but in no event later than 8 months  
14 following the election of the commission, the commissioner shall

15 provide the commission with a brief and concise evaluative state-  
16 ment, based upon the best information available to the commissioner  
17 at that time, concerning the fiscal feasibility of the proposed  
18 consolidation.

19 b. At the same time that it submits its preliminary report to the  
20 department, the commission shall submit a copy thereof to the  
21 governing body of each participating municipality. The governing  
22 bodies may, within 30 days of their receipt thereof, submit to the  
23 commission and to the department written comments thereon.

1 22. a. The joint municipal consolidation study commission shall  
2 publish and file its final report and recommendations within  
3 9 calendar months from the date of its election. A copy of such  
4 final report signed by the chairman of the commission shall be  
5 filed with the Secretary of State, the department, the county clerk  
6 and with the municipal clerk of each participating municipality.  
7 Included in such final report shall be: a statement, if any, by any  
8 member of the commission dissenting from the findings and recom-  
9 mendations set forth in the final report; the department's findings  
10 on the fiscal aspects of the proposed consolidation; the commis-  
11 sioner's evaluative statement concerning the fiscal feasibility of  
12 the proposed consolidation; and, any written comments received  
13 from the governing bodies of the participating municipalities. The  
14 municipal clerks shall deliver a copy of such final report to each  
15 member of the governing body of their respective municipalities.  
16 The commission shall cause a reasonable number of copies of the  
17 final report to be printed and made available to the general public  
18 upon request.

19 b. If the commission recommends consolidation, it shall prepare  
20 an "official abstract" of its report and recommendations and plan  
21 of consolidation consisting of a concise statement, which shall be  
22 objective in content and presentation, and shall be descriptive of  
23 the substance of the plan. At the time the commission publishes  
24 and files its final report, and again on a date not less than 30 days  
25 preceding the date fixed for the election, the commission shall  
26 cause the official abstract to be published at least once in a news-  
27 paper of general circulation in the participating municipalities,  
28 together with notice of:

29 (1) The time, place and purpose of the election;

30 (2) The manner in which copies of the commission's final report  
31 and recommendations may be obtained;

32 (3) The commissioner's evaluative statement concerning the  
33 fiscal feasibility of the proposed consolidation;

34 (4) The fact that if the voters favor the consolidation by a  
35 majority vote in each of the participating municipalities, the  
36 consolidation plan shall become binding and legally enforceable  
37 between or among such municipalities.

1 23. The consolidation commission shall be discharged:

2 a. On the date of the filing of its final report and recommenda-  
3 tions, if such report recommends against the consolidation of the  
4 participating municipalities;

5 b. On the date of the certification of the results of the referendum,  
6 if such certification establishes that the consolidation recommended  
7 by the commission has not been approved by the voters of each of  
8 the participating municipalities; or,

9 c. If the plan of consolidation is approved by the voters of the  
10 participating municipalities, on the one hundredth and eighty-first  
11 day following the date of consolidation, or on such date as the  
12 governing body of the consolidated municipality shall adopt  
13 permanent ordinances, rules and regulations for the consolidated  
14 municipality, whichever shall occur sooner, during which interval  
15 the commission shall serve as an advisory body to the governing  
16 body of the consolidated municipality.

1 24. In its final report the consolidation commission may  
2 recommend:

3 a. That a referendum be held to submit to the registered voters  
4 of the participating municipalities the question of whether or not  
5 the participating municipalities shall be consolidated into a single  
6 new municipality pursuant to the plan of consolidation set forth  
7 in the report. In which case, the commission shall also recommend:

8 (1) The adoption of one of the plans or forms of government  
9 authorized under the "Optional Municipal Charter Law," the  
10 "commission form of government law," or the "municipal manager  
11 form of government law;" or,

12 (2) That the governing bodies of the participating municipalities  
13 shall petition the Legislature, pursuant to Article IV, Section VII,  
14 Paragraph 10, of the Constitution, for the enactment of the special  
15 charter set forth in the final report of the commission; or,

16 (3) That the plan or form of government of one of the partici-  
17 pating municipalities be retained as the plan or form of government  
18 of the consolidated municipality.

19 b. That the participating municipalities not be consolidated into  
20 a single new municipality. In which case, the commission may, if  
21 it deems appropriate, make alternative findings and recommenda-  
22 tions to the governing bodies of the participating municipalities, in  
23 lieu of political consolidation, concerning the consolidation or

24 regionalization of separate municipal services and functions pur-  
 25 suant to any of the statutes of this State that authorize and permit  
 26 joint action, consolidation or regionalization of municipal services  
 27 and functions. Such alternative findings and recommendations may  
 28 take either of the following forms :

29 (1) A recommendation for the consolidation or regionalization of  
 30 specific functions and services, which may include a designation of  
 31 which functions or services are to be consolidated or regionalized  
 32 and a suggested schedule therefor; or,

33 (2) A recommended schedule for the staged regionalization or  
 34 consolidation of the functions and services of the participating  
 35 municipalities over some specific period of time leading to the  
 36 reconsideration of the question of political consolidation at a  
 37 later date.

1 25. If the commission recommends the submission of the question  
 2 of consolidation to the voters, the municipal clerk of each partici-  
 3 pating municipality shall cause the question of consolidation to be  
 4 submitted to the registered voters of each participating municipi-  
 5 pality on the date for the next general or municipal election, which-  
 6 ever shall occur sooner. At that election, the question shall be  
 7 submitted in the same manner as other public questions in each  
 8 such municipality, and in the following form or such part thereof  
 9 as shall be applicable:

10 "Shall (insert the names of the participating municipalities)  
 11 be consolidated into a single municipality to be known as (insert  
 12 name and type of municipality) and governed under (insert alter-  
 13 native a., b., c., d., or e. below, as may be appropriate)?"

14 (a. the present plan or form of government of (insert name  
 15 of appropriate municipality) and (if appropriate) providing for  
 16 a division of the municipality into (insert number) ..... wards,  
 17 with (insert number) ..... (insert title of members of gov-  
 18 erning body) ..... to be elected from each ward and (insert  
 19 number) ..... to be elected at large);

20 (b. a special charter to be enacted by the Legislature as recom-  
 21 mended by the consolidation commission);

22 (c. the (insert name of plan) .....  
 23 of the "Optional Municipal Charter Law," providing for a  
 24 division of the municipality into (insert number) ..... wards,  
 25 with (insert number) ..... councilmen, (one to be elected from  
 26 each ward and (insert number) ..... to be elected at large));

27 (d. the commission form of government to be adopted pursuant  
 28 to chapters 70 to 76 of Title 40 of the Revised Statutes (R. S.  
 29 40:70-1 et seq.)); or,

30 (e. the municipal manager form of government to be adopted  
31 pursuant to chapters 79 to 85 of Title 40 of the Revised Statutes  
32 (R. S. 40:79-1 et seq.)).

33  For Consolidation

34  Against Consolidation

1 26. If any consolidation plan approved by the voters shall involve  
2 a special charter for the consolidated municipality, the governing  
3 bodies of the participating municipality shall, forthwith upon the  
4 approval by the voters of such consolidation plan, petition the  
5 Legislature, pursuant to Article IV, Section VII, Paragraph 10,  
6 of the Constitution, for the special charter set forth in the Com-  
7 mission's report. Such special charter shall set forth the date of  
8 election of the first officers of the consolidated municipality, and  
9 the manner in which such charter shall be ratified in order for it  
10 to become operative.

1 27. No ordinance may be adopted and no petition may be filed  
2 for the creation of a joint municipal consolidation study commission  
3 pursuant to sections 5 and 6 of this act while proceedings are pend-  
4 ing under any other petition filed or ordinance adopted pursuant  
5 to the provisions of the "Optional Municipal Charter Law" or any  
6 other general law relating to a change in the form of government  
7 in any of the participating municipalities. No ordinance may be  
8 adopted and no petition may be filed for the creation of such a  
9 commission pursuant to the provisions of this act within 4 years  
10 after the date on which the question of consolidation has been  
11 submitted to the voters pursuant to section 25 of this act; provided,  
12 however, that the adoption of an ordinance or the filing of a petition  
13 and the holding of any referendum thereafter under the provisions  
14 of the "Optional Municipal Charter Law" or other general law  
15 relating to a change in the form of government in any of the par-  
16 ticipating municipalities, if such proceedings have been completed,  
17 shall not preclude the participating municipalities from proceeding  
18 under the provisions of this act notwithstanding the fact that 4  
19 years may not have expired since the completion of said  
20 proceedings.

1 28. The question submitted pursuant to section 25 of this act shall  
2 be deemed approved and adopted only if a majority of those voting  
3 on the question in each of the participating municipalities votes in  
4 favor of the question.

1 29. a. Following the adoption of the question of consolidation in  
2 each of the participating municipalities, the nomination and elec-  
3 tion of officers for the consolidated municipality shall be conducted  
4 in accordance with the plan or form of government adopted for the

5 consolidated municipality, and the participating municipalities  
6 shall be deemed consolidated on the date on which such officers shall  
7 be authorized to take office under such plan or form of government;  
8 provided, however, that, if the commission shall have recom-  
9 mended submission to the Legislature of a special charter, the pro-  
10 vision for the election of new officers and the date of consolidation  
11 shall be at such time following the approval of such special charter  
12 by the Legislature as shall be set forth in such charter.

13 b. Within 45 days after the adoption of the question of con-  
14 solidation, the commission shall draw the ward boundaries, if any,  
15 for the consolidated municipality in the manner prescribed by law  
16 for the plan or form of government adopted. If the plan of con-  
17 solidation has recommended the submission of a special charter to  
18 be submitted to the Legislature, the commission shall draw such  
19 ward boundaries, if any, in the manner prescribed in such special  
20 charter within 45 days after the ratification of such special charter.

21 Ward boundaries shall be so fixed and determined that each  
22 ward is formed of compact and contiguous territory. The wards so  
23 created shall not differ in population, according to the most recent  
24 Federal census, by more than 10% of the population of the least  
25 populous ward created.

26 c. Within 45 days after the adoption of the question of con-  
27 solidation, the county board of elections shall establish the election  
28 district boundaries for the consolidated municipality in the manner  
29 prescribed in Article 2 of chapter 4 of Title 19 of the Revised  
30 Statutes.

31 d. For the purpose of conducting the nomination and election  
32 of officers for the consolidated municipality as provided in sub-  
33 section a. of this section, the municipal clerks of the participating  
34 municipalities shall organize themselves as a committee. Such  
35 committee shall, as prescribed by law for the plan or form of  
36 government adopted for the consolidated municipality: furnish  
37 forms for, and receive, petitions of nomination for such officers;  
38 conduct the certification of such petitions; prepare, cause to be  
39 printed, and authenticate the ballot for the election of such officers;  
40 cause any notices for such election to be published; and, receive  
41 and canvass the returns of such election.

1 30. From and after the date of consolidation, as set forth in  
2 section 29 of this act, the participating municipalities shall con-  
3 stitute and be a single municipality under the name, type, plan or  
4 form of government set forth in the report and recommendations  
5 of the commission. The inhabitants of the territory comprising the

6 consolidated municipality shall thereafter be a body politic and  
7 corporate in fact and in law under such name. During the first 20  
8 days following the date of consolidation, the governing body of the  
9 consolidated municipality may, by resolution, adopt any ordinances  
10 which were in effect in any of the participating municipalities, and  
11 make any provisions for officers and for the organization and  
12 administration of the consolidated municipality. Such resolutions  
13 shall not be subject to any publication requirements, or any  
14 referendum or initiative provisions, of any law of this State; pro-  
15 vided, however, that subsequent to the adoption thereof the govern-  
16 ing body shall cause notice of such adoption to be published in the  
17 manner provided by law for municipal ordinances. All such resolu-  
18 tions shall expire not later than 180 days after the date of con-  
19 solidation.

20 The general laws of the State applying to municipalities of such  
21 type, plan or form of government and class, if any, shall apply to  
22 the consolidated municipality created pursuant to this act.

1 31. From and after the date of consolidation, the consolidated  
2 municipality or new school district, if any, shall be vested with and  
3 subject to the assets, contracts, debts and other obligations of the  
4 participating municipalities, or constituent school districts, as the  
5 case may be, to the extent set forth in the recommendations con-  
6 tained in the final report of the joint municipal consolidation study  
7 commission. The consolidated municipality, or such new school  
8 district, as the case may be, shall have the power to complete any  
9 work, service or improvement, and to confirm and collect previously  
10 levied taxes and assessments of the participating municipalities or  
11 constituent school districts, as may be appropriate, which are in-  
12 complete, unconfirmed, or uncollected on the date of consolidation.  
13 The consolidated municipality or new school district shall carry  
14 out those provisions of the plan of consolidation approved by the  
15 voters of the participating municipalities which are not inconsistent  
16 with this act or other laws of this State.

1 32. All officers and employees of the participating municipalities  
2 are authorized and directed to cooperate fully with any officers  
3 elected to govern the consolidated municipality, who have not yet  
4 taken office, in order to insure an orderly transition of government.

1 33. Immediately upon the installation of the government of the  
2 consolidated municipality, the officers having custody of the funds  
3 of the participating municipalities shall deliver all funds in their  
4 possession into the custody of the proper fiscal officer of the con-  
5 solidated municipality, who shall acknowledge delivery by giving  
6 his receipt therefor.

7 The mayor or other chief executive officer of the consolidated  
8 municipality shall supervise and direct the transfer of all personal  
9 property, books, papers, vouchers, or other documents belonging  
10 to the participating municipalities, to the proper officers of the new  
11 government. He shall cause a complete inventory to be made of  
12 all assets, real and personal, received by the new government.

13 The department shall cause an audit and settlement of officer's  
14 accounts to be made forthwith. The official bonds of the officers and  
15 officials shall continue in force and effect until the audit and settle-  
16 ment have been completed.

17 Whenever a plan of consolidation provides that property within  
18 a participating municipality or school district therein, shall remain  
19 subject to separate taxation, after consolidation, for the payment  
20 of interest and principal on any preexisting indebtedness, such  
21 property shall be taxed and assessed therefor at the same time  
22 and in the same manner as provided by law for general taxation  
23 of real property for the support of the municipality or school  
24 district, as the case may be.

1 34. The terms of office and appointments of all local officers and  
2 employees elected or appointed by, in, or for the participating  
3 municipalities shall, except as otherwise provided in this act, cease  
4 and terminate on the date of consolidation. The terms of office of  
5 any members appointed by the governing body of any participating  
6 municipality to any special district or public authority shall cease  
7 and terminate on the date of consolidation.

1 35. No suit, action, or proceeding pending in any court or before  
2 any board or department wherein one of the participating munic-  
3 ipalities or constituent school districts is a party, or in which it is  
4 interested, or by the determination of which it might be affected,  
5 shall abate by reason of the consolidation, but the consolidated  
6 municipality or new school district shall be substituted in the place  
7 and stead of such participating municipality or constituent school  
8 district, and the suit, action, or proceeding shall continue as if the  
9 consolidation had not taken place, and in accordance with the  
10 applicable laws, ordinances and regulations of the relevant par-  
11 ticipating municipality or school district.

1 36. During the period between the date of election of new officers  
2 for the consolidated municipality, and the date of consolidation,  
3 no new debt obligations, excepting emergency notes issued pursuant  
4 to N. J. S. 40A:4-51, shall be authorized and issued by any par-  
5 ticipating municipality or constituent school district. Any bonds  
6 of the participating municipalities, or any constituent school dis-  
7 tricts to be combined into a new school district, which have been

8 authorized prior to the date of such election, or in anticipation of  
9 the issuance of which temporary notes have been issued prior to  
10 the date of such election, may be issued and delivered or permanent  
11 bonds issued, as the case may be.

1 37. Permits, licenses and franchises granted to any place or  
2 person by any of the participating municipalities shall, subject to  
3 their conditions, remain in full force and effect and be recognized  
4 by the consolidated municipality until the expiration of the term  
5 for which they were granted. But this section shall not be construed  
6 as to prevent the revocation of any such permit or license before  
7 its expiration, in the manner provided by law.

1 38. If so provided in the plan of consolidation approved by the  
2 voters of the participating municipalities pursuant to this act, from  
3 and after the date of consolidation the school districts of the  
4 consolidated municipalities shall be a single school district which  
5 shall be administered pursuant to the provisions of Title 18A of  
6 the New Jersey Statutes, subject to the following provisions:

7 a. If the school districts of the participating municipalities are  
8 all classified as either a type I or type II district, such classification  
9 shall be retained;

10 b. If the school districts of the participating municipalities are  
11 classified as both type I and type II districts, the classification of  
12 the single school districts within the consolidated municipality  
13 shall be specified in the plan of consolidation;

14 c. If all of the participating municipalities are members of the  
15 same regional school district, the consolidated municipality shall  
16 continue as a member of such regional school district; provided,  
17 however, that the consolidation commission may recommend that  
18 the governing body of the consolidated municipality shall, by  
19 resolution, apply forthwith to the county superintendent of schools  
20 to make an investigation as to the advisability of constituting the  
21 consolidated municipality as a single school district; and,

22 d. If one or more of the participating municipalities is a member  
23 of a regional school district and the other participating munici-  
24 palities are not, the school districts existing at the time of consoli-  
25 dation shall retain their territory and jurisdiction; provided, how-  
26 ever, that the consolidation commission may recommend that the  
27 governing body of the consolidated municipality shall, by resolu-  
28 tion, apply forthwith to the county superintendent of schools to  
29 make an investigation as to the advisability of constituting the  
30 consolidated municipality as a single school district, or of enlarging  
31 such regional district so as to include all the territory of the  
32 consolidated municipality.

1 39. All principals, teachers, and employees in the public schools  
2 of the participating municipalities, or of any regional school  
3 district or portion thereof abolished by the consolidation, shall,  
4 when the consolidation becomes effective, be principals, teachers  
5 and employees respectively in the public schools of the school  
6 district established pursuant to section 38 of this act.

1 40. a. The members of the first board of a type I school district  
2 shall be appointed and take office on the date of consolidation in  
3 the manner provided in subarticle 4A of chapter 12 of Title 18A  
4 of the New Jersey Statutes. All subsequent appointments of  
5 members shall be made in accordance with that statute.

6 b. The members of the first board of a type II school district  
7 shall be appointed by the county superintendent of schools, in  
8 accordance with the provisions of N. J. S. 18A:13-38, and shall  
9 take office on the date of consolidation. The first elected members  
10 of the board shall be elected in the manner set forth in N. J. S.  
11 18A:13-39. All subsequent elected members shall be elected in  
12 the manner prescribed in subarticle 4B of chapter 12 of Title 18A  
13 of the New Jersey Statutes.

14 c. When any of the participating municipalities is a member of  
15 a regional school district, the respective board of education or  
16 each of the boards of education in the participating municipalities  
17 shall retain their territory and jurisdiction, and the members of  
18 such board or boards of education shall continue in office after  
19 consolidation until the completion of their terms of office. All sub-  
20 sequent members shall be elected or appointed as provided by law.

1 41. All officers and employees of the participating municipalities  
2 whose employment is continued following consolidation shall be  
3 employees of the consolidated municipality. They shall be subject  
4 to the orders and control of the mayor or other chief executive  
5 officer of the consolidated municipality, and of such other officers  
6 of the consolidated municipality as he shall authorize, or as shall  
7 be authorized under the plan or form of government of the con-  
8 solidated municipality.

9 The tenure and pension rights under State laws of officers and  
10 employees of the participating municipalities, or of any public  
11 authority thereof, shall not be affected by the consolidation of the  
12 participating municipalities, but the provisions of this section shall  
13 not preclude the revision, consolidation or elimination of offices  
14 and positions as may be required by the consolidation, all of which  
15 shall be carried out in conformtity with the provisions of the con-  
16 solidation plan approved by the voters pursuant to section 28 of  
17 this act.

18 Nothing in this section, or chapter 27 of Title 11 of the Revised  
19 Statutes, or R. S. 11:28-2 or R. S. 38:16-1 shall be construed  
20 as to limit the discretion of the appointing authority of the con-  
21 solidated municipality in making appointments to any position  
22 which may be placed in the unclassified service pursuant to R. S.  
23 11:22-2, or any other applicable law, following consolidation or  
24 the adoption of the permanent ordinances of the consolidated  
25 municipality. Any person appointed to any such unclassified  
26 position at such time, and who, at the time of such appointment,  
27 holds a similar, or substantially similar, position in the classified  
28 service of one of the participating municipalities, shall be required  
29 to be separated from the classified service, and shall, thereafter,  
30 serve in the unclassified service of the consolidated municipality;  
31 provided, however, that nothing in this section shall adversely  
32 affect the pension, tenure or seniority rights, or the right to employ-  
33 ment or reemployment in a comparable position, to which any  
34 person, not designated for appointment hereunder, may be entitled  
35 pursuant to section 1 of P. L. 1952, c. 323 (C. 11:22-10.1).

1 42. Within 3 months from the date of consolidation, the govern-  
2 ing body of the consolidated municipality shall, in accordance with  
3 the provisions of this section, file an application with the depart-  
4 ment for a joint service program grant to be paid out of the  
5 appropriations made pursuant to the "Interlocal Services Aid  
6 Act." The application shall include a 2-year schedule of antici-  
7 pated expenses and such other information as may be required  
8 by the commissioner. State financial assistance shall be, insofar  
9 as adequate funds are available therefor, rendered for not more  
10 than 2 successive years for any extraordinary administrative and  
11 operating expenses incurred in the first 2 years of the consolida-  
12 tion by the applicant municipality for joint services compensable  
13 under that act, that would not have otherwise been incurred if the  
14 consolidation had not taken place; except that, such expenses shall  
15 not include costs which are considered capital costs as set forth  
16 in N. J. S. 40A:2-22.

17 The amount of the grant of assistance made pursuant to this  
18 section shall not exceed, for any 12-month period, \$150,000.00 or,  
19 one-fourth of the appropriation made pursuant to the "Interlocal  
20 Services Aid Act" in the fiscal year in which said grant is to be  
21 made, whichever is the lesser amount. In addition, the commis-  
22 sioner may, at the end of the fiscal year, allocate to said munici-  
23 pality any unexpended and uncommitted moneys from the sums  
24 appropriated under the "Interlocal Services Aid Act" in order  
25 to provide such additional financial assistance for which the con-

26 consolidated municipality would have been eligible if the aforesaid  
27 limitations were not in effect. Any such consolidated municipality  
28 shall have first claim on any moneys appropriated under the  
29 "Interlocal Services Aid Act" which have not been committed at  
30 the time of application. The commissioner shall reserve the  
31 necessary moneys for meeting the certified expenses of any such  
32 consolidated municipality. Reservation of moneys shall also be  
33 made at any time after the consolidation plan has been approved  
34 by the electorate and prior to the filing of an appropriate applica-  
35 tion, provided that a written request for such reservation is made  
36 by the concerned governing body or bodies.

37 Within 30 days of the receipt of an application from the con-  
38 solidated municipality, the commissioner shall certify to the State  
39 Treasurer the amount of financial assistance to be provided here-  
40 under to the consolidated municipality, and said amount shall  
41 thereupon be paid to the consolidated municipality. Payments  
42 of aid moneys shall be paid on a quarterly basis for the 2-year  
43 period by the State Treasurer in the manner set forth in section 8  
44 (C. 40:8B-8) of the "Interlocal Services Aid Act," and all such  
45 moneys expended by the consolidated municipality shall be certified  
46 by the commissioner in accordance with paragraph (3) of section 7  
47 (C. 40:8B-7d(3)) of said act.

1 43. a. This act, being necessary for the welfare of the State and  
2 its inhabitants, shall be liberally construed to effect the purpose  
3 thereof.

4 b. If the provisions of any article, section or clause of this act  
5 or the application thereof to any person shall be judged invalid  
6 by a court of competent jurisdiction, such order or judgment shall  
7 be confined in its operation to the controversy in which it was  
8 rendered, and shall not affect or invalidate the remainder of any  
9 provision of any article, section or clause of this act or the appli-  
10 cation of any part thereof to any other person or circumstance and  
11 to this end, the provisions of each title, section and clause of this  
12 act are hereby declared to be severable.

1 44. Section 3 of P. L. 1973, c. 289 (C. 40:8B-3) is amended to  
2 read as follows:

3 3. The funds appropriated pursuant to this act shall be made  
4 available to qualified applicants for the following purposes:

5 a. To provide a service which, based on the evidence submitted  
6 pursuant to section 6 of this act, can only be provided adequately  
7 on a joint basis;

8 b. To provide a service which is currently not being provided at  
9 all or which, based on the evidence submitted pursuant to section 6  
10 of this act, is being provided at a level substantially below the  
11 minimum needs of the recipients;

12 c. To promote consolidation of existing service systems to  
13 achieve efficiency and economy;

14 d. *To promote municipal consolidation pursuant to the Municipal*  
15 *Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

16 *Subject to the availability of funds and the limitations of sections*  
17 *20 and 42 (C. . . . .) of the "Municipal Consolidation Act,"*  
18 *reservation of funds shall be made for any request or application*  
19 *filed pursuant to said sections and such request or application*  
20 *shall have a first claim on such funds which have not been expended*  
21 *or committed at the time of the receipt by the commisisoner of the*  
22 *request or application.*

1 45. Section 4 of P. L. 1973, c. 289 (C. 40:8B-4) is amended to  
2 read as follows:

3 4. a. Any local unit may apply for a grant under this act to  
4 provide any or all of the services specified in section 5 of this act  
5 jointly with any other local unit or units, *or for the consolidation*  
6 *of two or more municipalities.* A quasi-governmental or para-  
7 governmental agency may also apply to participate in a joint  
8 program and receive aid under this act; but such application shall  
9 be made through the local unit or units served by or supporting  
10 such agency, and all grants to such agency shall be made through  
11 such local unit or units.

12 b. The local units applying for aid may provide the service *or*  
13 *services* in any manner authorized by the "Interlocal Services Act"  
14 (P. L. 1973, c. 208; C. 40:8A-1 et seq.), the "Consolidated Muni-  
15 cipal Services Act" (P. L. 1952, c. 72; C. 40:48B-1 et seq.), or in any  
16 other form authorized by law, *or pursuant to the "Municipal*  
17 *Consolidation Act" (P. L. . . . ., c. . . . . C. . . . .).*

1 46. Section 6 of P. L. 1973, c. 289 (C. 40:8B-6) is amended to  
2 read as follows:

3 6. a. No grant under this act shall be made to any joint program  
4 which has not submitted an approved plan of operations based on  
5 a feasibility study of the project conducted pursuant to this section.  
6 *A 2-year grant may, however, be extended to any consolidated*  
7 *municipality filing an application pursuant to section 42 of the*  
8 *"Municipal Consolidation Act" (P. L. . . . ., c. . . . . C. . . . .).*  
9 Such feasibility study shall be conducted by or under the super-  
10 vision of the Department of Community Affairs, either (1) by the

11 Department of Community Affairs or by an agency or agencies  
12 of the State of New Jersey approved by the Commissioner of  
13 Community Affairs, or (2) by a qualified third party approved  
14 by the Department of Community Affairs and by the principal  
15 executive officer of any principal executive department of State  
16 Government whose approval of such feasibility study is required  
17 by subsection b. of this section and by a majority of  $\frac{2}{3}$  or more  
18 of the applicant local units. Such plan of operations shall constitute  
19 the final element of the feasibility study when approved by the  
20 Commissioner of Community Affairs and by any and every principal  
21 executive officer of a principal executive department of State  
22 Government which exercises jurisdiction over the performance of  
23 the services to be provided jointly under the proposed program.

24 b. Any local units eligible for aid as defined in sections 3 and 4 of  
25 this act shall be eligible to apply for funds to conduct a feasibility  
26 study under the auspices of the Department of Community Affairs.  
27 Application for such shall include: the names of the proposed  
28 participants; certified copies of a resolution or substantially  
29 similar resolutions passed by the governing bodies of the partici-  
30 pating units authorizing such application; the services for which  
31 joint programs are contemplated, and the expected benefits of  
32 such a joint program. The application shall be in such form and  
33 shall also contain such other information as may be required by the  
34 Commissioner of Community Affairs.

35 All grants for feasibility studies shall require the joint approval  
36 of the Commisisoner of Community Affairs and the principal execu-  
37 tive officer of any and every principal executive department of State  
38 Government which exercises jurisdiction over the performance of  
39 the services to be provided jointly under the proposed program.

40 c. The feasibility study shall include such detailed surveys of  
41 present service standards in the area to be served by the joint  
42 program as may be required to establish substantial evidence that  
43 a joint program would either enable provision of a needed service  
44 which could not otherwise be provided, or remedy existing levels  
45 of service provision, or otherwise produce better services at rela-  
46 tively lower unit costs or with more efficient administration, and  
47 that such joint programs would not adversely affect neighboring  
48 local units, and that no neighboring local unit which might benefit  
49 is being excluded from the program; provided that any such local  
50 unit claiming exclusion had expressed a desire to be included in  
51 the feasibility study by giving written notice of such desire to the  
52 Commissioner of Community Affairs within 30 days from the date

53 on which the commissioner made public announcement of the  
54 feasibility study grant.

55 d. Within 1 month of the completion of the feasibility study, the  
56 Department of Community Affairs shall hold a public hearing in  
57 each local unit to be included in the proposed joint program. After  
58 such hearings and upon submission and approval of a plan based  
59 thereon as provided in subsection a. of this section, the joint pro-  
60 gram shall be eligible for aid under this act. No joint program  
61 shall receive aid unless the governing bodies of all participating  
62 local units have passed identically worded resolutions ratifying the  
63 grant contract between the State and the participating local units.

64 If the feasibility study shall contain recommendations for  
65 establishing a joint service program, within 6 months from the  
66 date of the last public hearing on the feasibility study, the govern-  
67 ing body of each local unit which participated in the study shall  
68 communicate in writing to the Commissioner of Community Affairs  
69 stating their intentions of implementing or their specific and  
70 detailed objections to implementing each recommendation made  
71 in the feasibility study for establishing a joint service plan.

72 e. The Commissioner of Community Affairs shall, upon formal  
73 request by the governing body or chief executive officer of any local  
74 unit, cause to be made a preliminary survey as to the eligibility of  
75 such local unit and any other local units for State aid under this  
76 act with respect to any joint arrangements for provision of services  
77 specified or suggested in such request. Such preliminary survey  
78 shall be of sufficient scope and detail to enable the commisioner to  
79 advise all local units concerned in the projected joint arrangement  
80 whether the circumstances warrant detailed feasibility study  
81 pursuant to subsections a., b., c. and d. of this section; and the  
82 commissioner shall transmit formal notice of the findings and con-  
83 clusions of such preliminary survey to all the said local units  
84 concerned.

1 47. N. J. S. 40A:4-53 is amended to read as follows:

2 40A:4-53. A local unit may adopt an ordinance authorizing  
3 special emergency appropriations for the carrying out of any of  
4 the following purposes:

5 a. Preparation of an approved tax map.

6 b. Preparation and execution of a complete program of revalua-  
7 tion of real property for the use of the local assessor.

8 c. Preparation of a revision and codification of its ordinances.

9 d. Engagement of special consultants for the preparation, and  
10 the preparation of a master plan or plans, when required to con-  
11 form to the planning laws of the State.

12 e. Preparation of drainage maps for flood control purposes.

13 f. Preliminary engineering studies and planning necessary for  
14 the installation and construction of a sanitary sewer system.

15 g. *Authorized expenses of a consolidation commission estab-*  
16 *lished pursuant to the "Municipal Consolidation Act" (P. L. . . . .,*  
17 *c. . . . .; C. . . . .).*

18 A copy of all ordinances or resolutions as adopted relating to  
19 special emergency appropriations shall be filed with the director.

1 48. Chapter 38 of Title 19 of the Revised Statutes and the "Local  
2 Units Permissive Consolidation Act (1939)" (P. L. 1939, c. 343;  
3 C. 40:43-66.1 et seq.), as amended and supplemented, are repealed.

1 49. This act shall take effect immediately.

SENATE, No. 580

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators MARTINDELL and MUSTO

AN ACT authorizing the establishment of joint municipal consolidation commissions with powers to act as a charter commission under the "Optional Municipal Charter Law," providing for the consolidation of municipalities, authorizing State financial assistance, repealing chapter 38 of Title 19 of the Revised Statutes and P. L. 1939, c. 343 and all amendments and supplements thereto, amending the Interlocal Services Aid Act (P. L. 1973, c. 289), and supplementing Title 40 of the Revised Statutes.

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

1 1. (New section) This act shall be known and may be cited as  
2 the Municipal Consolidation Act.

1 2. (New section) The Legislature hereby finds and determines  
2 that there are situations in this State where bonds of inter-  
3 dependence form a recognized community of interest between or  
4 among municipalities and that in such instances it may be in the  
5 public interest to encourage such municipalities to consider consoli-  
6 dation as a means of insuring more rational control of growth and  
7 development, more efficient provision of local services and more  
8 viable and capable public administration. The Legislature further  
9 finds and determines that the present laws are inadequate to  
10 encourage local consideration of consolidation in many instances  
11 where such action might be desirable and that a program of State  
12 facilitation and State financial assistance together with a simplified  
13 and improved consolidation statute would help insure proper local  
14 consideration of such action in those instances where it may be  
15 desirable, and where voluntarily agreed to by the municipalities  
16 involved.

1 3. (New section) Any two or more municipalities in the same  
2 county comprising contiguous territory when considered as an

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

3 overall entity may be consolidated into a single municipality  
4 pursuant to the provisions of this act.

1 4. (New section) The governing body of any municipality pro-  
2 posing to consolidate with one or more other municipalities may,  
3 by resolution, propose the formation of a joint municipal consoli-  
4 dation commission as provided for in section 6 of this act. The  
5 resolution shall recite that the governing body is seeking the forma-  
6 tion of a joint municipal consolidation commission pursuant to the  
7 provisions of this act and shall name the municipalities proposed  
8 to be consolidated together. The resolution shall require the  
9 affirmative vote of two-thirds of the authorized membership of the  
10 governing body in order to be adopted. Upon adoption, a certified  
11 copy of the resolution shall be sent by the clerk of the governing  
12 body to each of the other municipalities named in the resolution  
13 and to the clerk of the county in which such municipalities are  
13A located.

14 Upon notification of the adoption of such a resolution by each of  
15 the municipalities named therein, the county clerk shall so inform  
16 the municipal clerk of each participating municipality, and a  
17 referendum on the formation of a joint consolidation commission  
18 and an election of the nonappointed members thereon shall be  
19 held as provided in section 6 of this act.

20 Any consolidation study undertaken by a commission or com-  
21 mittee created by municipal action prior to the effective date of  
22 this act shall be eligible for all of the benefits conferred by this  
23 act; provided, however, that the plan of consolidation of the com-  
24 mission or committee shall be submitted to the Commissioner of  
25 Community Affairs and to the registered voters of each of the  
26 participating municipalities in accordance with sections 16 and 20  
27 of this act.

1 5. (New section) In addition to the procedure set forth in sec-  
2 tion 4 of this act, the formation of a consolidation commission may  
3 be initiated at the request of the residents of each of the munici-  
4 palities for which consolidation is proposed. A petition requesting  
5 the formation of a consolidation commission and the election of  
6 members thereon, shall be filed with the clerk of the county in which  
7 the municipality shall be located and notice of the filing of such a  
8 petition shall also be filed with the governing body of the munici-  
9 pality. The petition shall be signed by 10% of the registered voters  
10 of the municipality or by 1,000 registered voters thereof, whichever  
11 is the lesser number, and shall recite that the signers thereof are  
12 seeking the formation of a consolidation commission pursuant to

13 the provisions of this act and shall name the municipalities pro-  
14 posed to be consolidated.

15 The county clerk shall forthwith ascertain and certify to the  
16 governing body the number of signatures and the validity thereof  
17 affixed to any petitions filed pursuant to the provisions of this  
18 section. Whenever the county clerk shall determine that a petition  
19 has been signed by the required number of registered voters of  
20 each of the municipalities named in the petitions filed with him, he  
21 shall certify such results to the municipal clerk of each participat-  
22 ing municipality and a referendum on the formation of a consolida-  
23 tion commission and an election of members thereto shall be held  
24 as provided in section 6 of this act.

25 A referendum on the formation of a consolidation commission  
26 and an election of the nonappointed members thereto shall also  
27 be held in those instances where one or more of the participating  
28 municipalities have proceeded by resolution of the governing body  
29 pursuant to section 4 hereof and one or more have proceeded by  
30 proper petition pursuant to this section.

1 6. (New section) Whenever authorized by resolutions adopted by  
2 the governing bodies of the participating municipalities or upon  
3 petition of the registered voters of the participating municipalities,  
4 or a combination of both, an election shall be held in each of the  
5 municipalities upon the question:

6 "Shall a joint municipal consolidation commission be created  
7 to consider the consolidation of (insert the names of all partic-  
8 ipating municipalities) into a single new municipality and  
9 to consider the retention of the municipal charter of one of  
10 the participating municipalities or a new charter for said  
11 municipality from among those charters provided under the  
12 Optional Municipal Charter Law or to petition the Legislature  
13 for a special charter and to make recommendations thereon?"

14 The municipal clerk shall provide for the submission of the  
15 question and for the creation of a consolidation commission, which  
16 shall also have the full powers of a charter commission under the  
17 provisions of the Optional Municipal Charter Law (P. L. 1950,  
18 c. 210 (C. 40:69A-1 et seq.)) at a special election, occurring before  
19 July 1 of any year but in no event less than 60 days after receipt  
20 of notification from the county clerk that resolutions or petitions,  
21 as the case may be, have been received in proper form from all  
22 participating municipalities.

1 7. (New section) The consolidation commission shall consist of  
2 five members from each participating municipality who shall be

3 selected as follows. If the question is placed on the ballot by peti-  
4 tion, the five commissioners shall be elected by the qualified voters  
5 at the same time as the public question is submitted. If the question  
6 is placed on the ballot by resolution of the governing body of the  
7 municipality, the governing body of that municipality may pre-  
8 scribe in said resolution the manner of selection of the five com-  
9 missioners, provided that at least three commissioners shall be  
10 elected by the qualified voters at the same time as the public  
11 question is submitted. Duly nominated candidates for the office  
12 of consolidation commissioner shall be placed upon the ballot  
13 containing the public question in the same manner as is provided  
14 by law for candidates nominated by petition for other elective  
15 offices of a single municipality, except that they shall be listed  
16 without any designation or slogan. Each voter shall be instructed  
17 to vote on the question and, regardless of the manner of his vote  
18 on the question, to vote for the elected members of a consolidation  
19 commission who shall serve if the question is determined in the  
20 affirmative.

1 8. (New section) Candidates for the consolidation commission  
2 from each participating municipality shall be registered voters of  
3 the municipality. They may be nominated by petitions signed by  
4 at least 3% of the registered voters of the municipality, and filed  
5 with the municipal clerk not less than 60 days prior to the date of  
6 the election.

7 a. Each nominating petition shall set forth the names, places of  
8 residence, and post-office addresses of the candidate or candidates  
9 thereby nominated, that the nomination is for the office of consolida-  
10 tion commissioner and that the petitioners are registered voters of  
11 the municipality. Every voter signing a nominating petition shall  
12 add to his signature, his place of residence, post-office address and  
13 street number, if any. No voter shall sign a petition or petitions  
14 for more than three candidates if five candidates are nominated  
15 and no voter shall sign a petition or petitions for more than two  
16 candidates if less than five candidates are nominated.

17 b. Each nominating petition shall, before it may be filed with the  
18 municipal clerk, contain an acceptance of such nomination in writ-  
19 ing, signed by the candidate or candidates therein nominated, upon  
20 or annexed to such petition, or if the same person or persons be  
21 named in more than one petition, upon or annexed to one of such  
22 petitions. Such acceptance shall certify that the candidate is a  
23 registered voter of the municipality, that the nominee consents to

24 stand as a candidate at the election and that if elected, he agrees  
25 to take office and serve.

26 c. Each nominating petition shall be verified by an oath or  
27 affirmation of one or more of the signers thereof, taken and sub-  
28 scribed before a person qualified under the laws of New Jersey  
29 to administer an oath, to the effect that the petition was signed  
30 by each of the signers thereof in his proper handwriting, that the  
31 signers are, to the best knowledge and belief of the affiant, regis-  
32 tered voters of the municipality, and the petition is prepared and  
33 filed in good faith for the sole purpose of endorsing the person or  
34 persons named therein for election as stated in the petition.

1 9. (New section) The result of the votes cast for and against the  
2 adoption of the public question shall be returned by the election  
3 officials, and a canvass of such election had, as is provided by law  
4 in the case of other public questions put to the voters of a single  
5 municipality. The public question shall be deemed adopted, and a  
6 consolidation commission created if a majority of the votes cast on  
7 the public question in each participating municipalty shall be in  
8 the affirmative.

9 The votes cast for members of the consolidation commission  
10 shall be counted, and the result thereof returned by the election  
11 officers and a canvass of such election had as is provided by law  
12 in the case of the election of members of the local governing body.  
13 The candidates receiving the greatest number of votes shall be  
14 elected and shall constitute the consolidation commission members  
15 from the participating municipality in which they reside, provided  
16 that if a majority of those voting on the public question in any  
17 of the participating municipalities shall have voted against the  
18 formation of a consolidation commission, none of the candidates  
19 in any of the participating municipalities shall be elected. If two  
20 or more candidates shall be equal and greatest in votes they shall  
21 draw lots to determine which one shall be elected.

22 The results of the election in each participating municipality  
23 shall be certified by the election officials to the county clerk who  
24 shall, in turn, not more than 5 days after said certification, notify  
25 the Commissioner of Community Affairs of said election results.

1 10. (New section) Except as otherwise herein provided, the con-  
2 solidation commission shall consist of five members from each  
3 participating municipality and one member appointed by the Com-  
4 missioner of the Department of Comunity Affairs. The com-  
5 missioner's appointee shall serve at his pleasure, need not be a  
6 resident of any of the participating municipalities, and shall

7 participate in all proceedings of the commission but shall not have  
8 a vote and may not serve as an officer.

9 As soon as possible and in any event no later than 15 days after  
10 approval at a special election, the consolidation commission shall  
11 organize and hold its first meeting. The consolidation commission  
12 may elect one of its members as chairman or provide for the rota-  
13 tion of the chairmanship among the members of each participating  
14 municipality. The consolidation commission shall fix its hours and  
15 places of meeting, adopt such rules for the conduct of its business  
16 as it may deem necessary and advisable and appoint a secretary  
17 who need not be a member of the commission. A majority of the  
18 total voting membership of the commission shall constitute a  
19 quorum for the transaction of business but no recommendation of  
20 said commission shall have any legal effect pursuant to sections 17  
21 and 19 of this act, unless adopted by a majority of the commis-  
22 sioners from each of the participating municipalities. The secretary  
23 of the consolidation commission shall act as administrative officer  
24 of the commission and shall preside over meetings in the absence  
25 of the chairman.

1 11. (New section) In case of any vacancy in the membership of  
2 the consolidation commission other than that of the commissioner's  
3 appointee, the governing body of the participating municipality in  
4 which the vacancy occurred shall fill it by appointing thereto a  
5 registered voter of said municipality.

6 In the case of a vacancy caused by the death, resignation or  
7 absence of the commissioner's appointee, the Commissioner of  
8 Community Affairs shall appoint a replacement member in accord-  
9 ance with the provisions of section 10 of this act.

1 12. (New section) It shall be the function and duty of the consoli-  
2 dation commission to study the question of consolidating the par-  
3 ticipating municipalities into a single new municipality and its  
4 feasibility. In carrying out its duties as a consolidation commission,  
5 the commission shall also study the forms of government available  
6 under the "Optional Municipal Charter Law" and shall exercise  
7 all of the functions and duties of a charter commission under said  
8 law. Should the consolidation commission determine to recommend  
9 the consolidation of the participating municipalities into a single  
10 municipality, the commission shall prepare a report which shall  
11 provide a plan of consolidation which shall set forth:

12 a. The name, type and form of government of the proposed new  
13 municipality;

14 b. Whether the municipal charter, if any, of any one of the par-  
15 ticipating municipalities shall become the charter of the proposed  
16 new municipality;

17 c. Details of adjustment of the indebtedness and other obliga-  
18 tions of the participating municipalities and of the school districts  
19 therein in such manner as to preserve a fair and equitable burden  
20 of taxation for debt service;

21 d. The transfer of property and assets of the participating  
22 municipalities to the proposed new municipality;

23 e. The extent to which participating municipalities may autho-  
24 rize or issue bonds or other obligations or incur contractual duties  
25 during the period between the date of the election held pursuant  
26 to sections 20 and 21 of this act and the date of consolidation as  
27 provided for in section 24 of this act;

28 f. Any adjustments or changes in offices, positions, or employ-  
29 ment, including the abolition thereof that may be necessitated by  
30 the consolidation;

31 g. Determine which of the ordinances, rules and regulations of  
32 the participating municipalities shall take effect throughout the  
33 consolidated municipality or portion thereof specifically affected,  
34 provided, however, that such ordinances, rules and regulations  
35 shall be effective for 6 months after consolidation but not there-  
36 after unless reenacted;

37 h. The consolidation commission shall remain effective as a  
38 codification committee which will present a proposed new code of  
39 ordinances to the new governing body for enactment within 6  
40 months after the date of consolidation, with such amendments and  
41 supplements as the new governing body may deem desirable.

1 13. (New section) The consolidation commission shall hold public  
2 hearings, may hold private hearings and sponsor public forums  
3 and generally shall provide for the widest possible public informa-  
4 tion and discussion respecting the purposes and progress of its  
5 work.

6 The commission shall have the power to take testimony and issue  
7 subpoenas; to compel the attendance of officers and employees of  
8 the participating municipalities; to compel the production of all  
9 books, documents and other papers of the participating munic-  
10 ipalities and to administer oaths to persons appearing before it  
11 to testify. Any such subpoenas shall be enforceable, and misconduct  
12 of a witness may be dealt with, in the manner provided by the  
13 "County and Municipal Investigations Law" (P. L. 1953, c. 38,  
14 C. 2A:67A-1 et seq.).

1 14. (New section) Members of the consolidation commission shall  
2 serve without compensation but shall be reimbursed, except in the  
3 case of the commissioner's appointee, by the governing body of the  
4 participating municipality from which they were elected or  
5 appointed for the necessary expenses incurred by them in the per-  
6 formance of their official duties, when itemized and sworn to by the  
7 chairman and secretary.

1 15. (New section) The consolidation commission shall prepare  
2 a proposed budget showing anticipated expenses and anticipated  
3 receipts of funds from all sources. The proposed budget shall be  
4 submitted to the governing bodies of the participating munici-  
5 palities for review and approval as is hereinafter provided for  
6 in this act.

7 The consolidation commission may apply to the department for  
8 a State grant for a feasibility study or studies, or request the  
9 department to conduct the study or studies in accordance with the  
10 pertinent provisions of sections 5 and 6 (C. 40:8B-5 and  
11 C. 40:8B-6) of the Interlocal Services Aid Act (P. L. 1973, c. 289).  
12 The commission may also accept privately contributed funds and  
13 Federal assistance. To the extent that the funds from these sources  
14 are not adequate to cover the expenses of the consolidation com-  
15 mission, approved expenses shall be borne by the participating  
16 municipalities in the proportion that the taxable property within  
17 each bears to the whole taxable property within the proposed  
18 consolidated municipality. Such apportionment shall be based upon  
19 the last abstract of ratables made for the purpose of levying taxes  
20 in the respective municipalities concerned. The participating  
21 municipalities shall make available to the consolidation commission  
22 such facilities and professional, technical and clerical assistance  
23 as said municipalities may jointly agree upon.

24 All expenditures of funds by the commission shall be subject to  
25 audit in the same manner that all municipal expenditures are  
26 subject to audit. Budget requests made pursuant to this section  
27 may be provided by emergency appropriations if funds are not  
28 otherwise available for such purposes in the municipal budget.

29 Within the limits of available funds, the commission may appoint,  
30 in addition to the secretary, such consultants and clerical and other  
31 assistants as it may require, to serve at the pleasure of the com-  
32 mission, and may fix a reasonable compensation to be paid for the  
33 services rendered.

1 16. (New section) The Department of Community Affairs shall,  
2 to every possible extent, advise and cooperate with any consolida-

3 tion commission created pursuant to this act and shall make  
4 available its facilities and records and technical and professional  
5 assistance from its staff. The department shall consider promptly  
6 any application for a State grant for, or a request for the depart-  
7 ment to conduct the feasibility study or studies; provided, however,  
8 that whenever the feasibility study or studies are to be conducted  
9 by a party other than the department, said party shall be approved  
10 by, and conduct the study or studies under the supervision of, the  
11 department, and the amount of State financial assistance therefor,  
12 shall not exceed in the aggregate 75% of the cost of the study or  
13 studies or \$30,000.00, whichever is the lesser amount. Upon  
14 approval of such study or studies, the commissioner shall certify  
15 the amount approved to the State Treasurer who shall make  
16 immediate payment thereon. Any application for financial assis-  
17 tance submitted by a consolidation commission shall have first  
18 claim on any moneys appropriated under the Interlocal Services  
19 Aid Act which have not been expended or committed at the time of  
20 application. At the written request of the consolidation commis-  
21 sion, a reservation of moneys shall be made by the commissioner  
22 prior to the filing of a nappropriate application by the consolidation  
23 commission.

24 The preliminary and recommendation of a consolidation com-  
25 mission shall be made not later than 7 calendar months from the  
26 date of referendum.

27 If the consolidation commission has recommended the consolida-  
28 tion of the participating municipalities into a single new munici-  
29 pality, the department shall review the report and recommendations  
30 and, within 30 days of the receipt thereof, shall indicate to the  
31 consolidation commission in writing whether it approves of the  
32 report and recommendations. The department shall approve any  
33 plan of consolidation presented to it whenever it determines that  
34 the plan complies with the requirements of the Constitution and  
35 all applicable laws, including the provisions of this act, and that  
36 its fiscal provisions are practicable. The department may dis-  
37 approve the report and recommendations or may give conditional  
38 approval, contingent upon acceptance by the consolidation com-  
39 mission of specific amendments recommended by the department.

40 The preliminary report and recommendation shall be returned  
41 by the department to the consolidation commission together with  
42 the action taken by the department endorsed upon the report. The  
43 consolidation commission may make such changes or amendments  
44 as may be required in order to obtain departmental approval. In

45 such case, an amended report and recommendation shall be re-  
46 submitted to the department for its review and approval. If there  
47 has been compliance with the departmental recommendations, the  
48 department shall return the report and recommendations forthwith  
49 with its approval thereon. If there has not been compliance to the  
50 department's satisfaction, the department shall return the report  
51 and recommendations to the consolidation commission forthwith  
52 with its disapproval noted thereon.

53 Any report of a consolidation commission recommending a plan  
54 of consolidation may be submitted as provided in section 17 of this  
55 act without the approval of the department. The State shall not  
56 be obligated to provide the financial assistance provided for in  
57 section 35 of this act to a consolidated municipality that was not  
58 created pursuant to a plan approved by the department.

1 17. (New section) The consolidation commission shall submit its  
2 final report and recommendations, together with the action of the  
3 department thereon, to the citizens of the participating municipi-  
4 palities within 9 calendar months from the date of its election.  
5 It shall file with the Secretary of State, the department, the county  
6 clerk and with the municipal clerk of each participating municipal-  
7 ity an original signed copy of any final report containing said  
8 findings and recommendations made by any member of the com-  
9 mission. The municipal clerks shall deliver a copy of any such  
10 report to each member of their respective governing bodies.

11 If the consolidation commission shall have recommended that  
12 the participating municipalities be consolidated into a single new  
13 municipality, the commission, acting as a charter commission, may  
14 recommend the adoption of one of the optional forms of govern-  
15 ment authorized in the "Optional Municipal Charter Law," the  
16 enactment of a special municipal charter or the retention of the  
17 municipal charter of one of the participating municipalities.

1 18. (New section) a. The consolidation commission shall be dis-  
2 charged upon the filing of its report; provided, that if the commis-  
3 sion's recommendations require further procedure on the part of  
4 the governing body or the people of the participating municipalities  
5 pursuant to sections 12 or 21 of this act, the commission shall not  
6 be discharged until the procedures required under those sections  
7 have been finally concluded;

8 b. Whenever a consolidation commission issues an amended  
9 report, such amended report shall supersede the preliminary re-  
10 port and such preliminary report shall cease to have any legal  
11 effect under this act;

12 c. The procedure to be taken under the amended report shall be  
13 governed by the provisions of this act applicable to the final report  
14 of the consolidation commission submitted pursuant to section 17  
15 of this act.

1 19. (New section) a. The consolidation commission may report  
2 and recommend:

3 (1) That the participating municipalities not be consolidated  
4 into a single new municipality; or

5 (2) That a referendum shall be held to submit to the registered  
6 voters of the participating municipalities the proposal that all of  
7 the participating municipalities shall be consolidated into a single  
8 new municipality pursuant to a plan of consolidation.

9 b. If the commission shall have recommended the submission of  
10 a consolidation proposal to the registered voters of the partici-  
11 pating municipalities, the commission, pursuant to its duties and  
12 responsibilities as a charter commission, shall also recommend:

13 (1) The adoption of one of the optional forms of government  
14 authorized in articles 3 through 16 inclusive of the "Optional  
15 Municipal Charter Law;" or

16 (2) That the governing body shall petition the Legislature for  
17 the enactment of a special charter, the text of which shall be ap-  
18 pended to the commission's report pursuant to Article IV, Section  
19 VII, Paragraph 10, of the Constitution of 1947 and to the enabling  
20 legislation enacted thereunder to the extent that such legislation  
21 is not inconsistent herewith; or

22 (3) That the municipal charter of one of the participating mu-  
23 nicipalities should be retained as the charter of the consolidated  
24 municipality.

25 c. If the commission shall have recommended against the con-  
26 solidation of the participating municipalities, it may make alterna-  
27 tive findings and recommendations, in lieu of political consolidation,  
28 concerning the consolidation or regionalization of separate mu-  
29 nicipal functions pursuant to any of the statutes of this State that  
30 authorize and permit joint action, consolidation or regionalization  
31 of municipal services and functions. Such recommendations shall  
32 specify the specific functions or services to be consolidated or  
33 regionalized. The commission shall set forth its proposal for  
34 implementing these recommendations and may provide a schedule  
35 of consolidation which shall specify which functions or services are  
36 to be consolidated or regionalized each year. Should the commis-  
37 sion recommend that functions or services be consolidated or  
38 regionalized on a staged basis, it may further recommend that a

39 consolidation question be reconsidered pursuant to the referendum  
40 provisions of section 22 of this act.

1 20. (New section) The question to be submitted to the registered  
2 voters of each of the participating municipalities pursuant to any  
3 recommendations made under the provisions of section 19 of this  
4 act shall be submitted in the following form or such part thereof  
5 as shall be applicable:

6 Shall (insert the names of the participating municipalities)  
7 be consolidated together into a single new municipality to  
8 be governed under (insert proper alternatives)

9 (the present charter of (insert name of appropriate  
10 municipality))

11 (a special charter to be enacted by the Legislature in  
12 accordance with the recommendations of the consolidation  
13 commission)

14 the (insert name of plan) .....  
15 of the "Optional Municipal Charter Law," providing for  
16 a division of the municipality into (insert number) .....  
17 wards, with (insert number) ..... councilmen, (one  
18 to be elected from each ward and (insert number) .....  
19 to be elected at large)

20 This consolidation proposal has been (Approved—Dis-  
21 approved) by the New Jersey Department of Community  
22 Affairs and (is, is not) eligible for State financial assistance  
23 pursuant to the provisions of the Municipal Consolidation  
24 Act, insofar as funds may be available therefor.

- 25  For Consolidation  
26  Against Consolidation

1 21. (New section) a. If, the consolidation commission shall  
2 recommend the submission of the question set forth in section 20  
3 of this act to the registered voters of the participating munic-  
4 ipalities, it shall be the duty of the municipal clerk of each partici-  
5 pating municipality to cause the question of consolidation or  
6 rejection to be placed upon the ballot during the first 6 months of  
7 the same or next calendar year. The commission may cause the  
8 question to be submitted at a special election occurring not less  
9 than 60 days after the filing of the report, at such time as the  
10 commission's report shall direct. At such election, the question of  
11 consolidating the participating municipalities into a single new  
12 municipality under the form of government recommended shall be  
13 submitted to the voters of each of the participating municipalities  
14 in the same manner as other public questions to be voted upon by

15 the voters of a single municipality. The consolidation commission  
16 shall frame the question to be placed upon the ballot as provided  
17 in section 20, and if it deems appropriate, an interpretative state-  
18 ment to accompany such question.

19 b. The consolidation commission shall also prepare an "official  
20 abstract" of its report and recommendations and plan of con-  
21 solidation consisting of a concise statement, which shall be objective  
22 in content and presentation, and shall be descriptive of the sub-  
23 stance of the plan. Not less than 20 nor more than 30 days preced-  
24 ing the date fixed for the election, the consolidation commission  
25 shall cause the official abstract to be published at least once in a  
26 newspaper of general circulation in the participating municipi-  
27 palities, together with notice of:

28 (1) The time, place and purpose of the election;

29 (2) The manner in which copies of the commission's report and  
30 recommendations may be obtained; and

31 (3) The fact that if the voters favor the consolidation by a  
32 majority vote in each of the participating municipalities, the con-  
33 solidation plan shall become binding and legally enforceable  
34 between such municipalities.

1 22. (New section) No resolution may be passed and no petition  
2 may be filed for the creation of a consolidation commission pur-  
3 suant to sections 4 and 5 of this act while proceedings are pending  
4 under any other petition or resolution filed or passed pursuant to  
5 the provisions of the "Optional Municipal Charter Law" or any  
6 other general law relating to a change in the form of government  
7 in any of the participating municipalities. No resolution may be  
8 passed and no petition may be filed for the creation of a consolida-  
9 tion commission pursuant to the provisions of this act within 4  
10 years after a referendum shall have been held pursuant to a pre-  
11 vious resolution or petition passed or filed pursuant to the pro-  
12 visions of this act in any of the participating municipalities but the  
13 passage of an ordinance or the filing of a petition and the holding  
14 of any referendum thereafter under the provisions of the "Optional  
15 Municipal Charter Law" or other general law relating to a change  
16 in the form of government in any of the participating municipi-  
17 palities, provided such proceedings have been completed, shall not  
18 preclude the participating municipalities from proceeding under  
19 the provisions of this act notwithstanding the fact that 4 years  
20 may not have expired since the completion of said proceedings. The  
21 provisions of section 1-17 of the "Optional Municipal Charter  
22 Law" shall not be applicable to a consolidation commission and its

23 recommendations pursuant to its responsibilities as a charter com-  
24 mission except as expressly herein provided.

1 23. (New section) The question submitted pursuant to sections  
2 20 and 21 of this act shall be deemed approved and adopted only if  
3 a majority of those voting on the question in each of the participat-  
4 ing municipalities votes in favor of the question. In the case of  
5 a favorable vote by a majority of those voting on the question in  
6 each of the participating municipalities, the question shall be  
7 deemed approved and adopted and shall take effect as provided in  
8 section 24 of this act.

1 24. (New section) Following a favorable majority vote in each  
2 of the participating municipalities, the municipalities shall be  
3 deemed consolidated as of the date provided for and set forth in  
4 the plan of consolidation.

5 a. If the consolidation commission recommended the adoption of  
6 any of the optional plans of government authorized by articles 3  
7 through 16, inclusive, and articles 12A and 12B of the "Optional  
8 Municipal Charter Law," including any of the alternatives con-  
9 tained in section 1-13 of said law, the nomination and election of  
10 the first set of officers in the consolidated municipality shall be  
11 conducted in accordance with the provisions of the "Optional  
12 Municipal Charter Law" and the date of consolidation shall be  
13 deemed to be the date fixed under that law for the officers to take  
14 office. Notwithstanding the provisions of the "Optional Municipal  
15 Charter Law," the consolidation commission may select a municipi-  
16 pal charter under said law which provides for the holding of  
17 regular municipal elections on the second Tuesday in May and  
18 may further provide that the election of the first set of officers  
19 shall be at the next general election following approval of the plan  
20 of consolidation, with such elected officials taking office on the date  
21 of consolidation. The term of any officers so elected shall be ex-  
22 tended from the date of consolidation through the term of office  
23 provided for in the "Optional Municipal Charter Law" as if said  
24 term had commenced as of July 1 next following as originally  
25 provided for in said law.

26 b. If the consolidation commission shall have recommended the  
27 retention of the charter of one of the participating municipalities,  
28 the date of consolidation shall be the date on which new officers  
29 shall be authorized to take office under the provisions of such  
30 charter, and the date for the election of officers shall be pursuant  
31 to such charter.

32 c. If the consolidation commission shall have recommended a  
33 special charter the date of consolidation and the provision for elec-  
34 tion of officers shall be specified in its report.

1 25. (New section) From and after the date of consolidation, as  
2 set forth in section 24 of this act, the participating municipalities  
3 shall constitute and be a single municipality under the name, of  
4 the type and form of government, and subject to the provisions  
5 set forth in the report and recommendations of the consolidation  
6 commission. The inhabitants of the territory comprising the con-  
7 solidated municipality shall thereafter be a body politic and  
8 corporate in fact and in law under such name.

9 The general laws of the State applying to municipalities of this  
10 type, form of government and class (if any) shall apply to the  
11 consolidated municipality created pursuant to this act.

1 26. (New section) From and after the date of consolidation, the  
2 consolidated municipality shall be vested with and subject to the  
3 assets, contracts, debts and other obligations of the participating  
4 municipalities to the extent of and in accordance with the pro-  
5 visions of the report and recommendations of the consolidation  
6 commission. The consolidated municipality shall have the power  
7 to complete any work, service or improvement, to confirm and  
8 collect previously levied taxes and assessments in the participating  
9 municipalities, that are incomplete, unconfirmed, or uncollected on  
10 the date of consolidation. It shall also have the power and shall be  
11 required to carry out the provisions of the plan of consolidation  
12 recommended by the consolidation commission not inconsistent  
13 with this act.

1 27. (New section) Notwithstanding the date of consolidation  
2 provided for in this act, the new officers elected to govern the con-  
3 solidated municipality may, not less than 30 days prior to the  
4 date of consolidation, undertake such actions as may be necessary  
5 and proper to insure the orderly functioning of government as of  
6 the date of consolidation, including, but not limited to, the appoint-  
7 ment and approval, if required, of persons to the various offices,  
8 positions and employment to be filled in the consolidated munici-  
9 pality. Any persons so appointed shall not take office until the date  
10 of consolidation but shall have access to the office, position, or em-  
11 ployment he will hold as of that date in order to become familiar  
12 with the responsibilities thereof.

13 All officers and employees are authorized and directed to co-  
14 operate fully with persons so appointed and designated in order  
15 to insure an orderly transition of government. All such appoint-

16 ments shall be officially submitted on the day of consolidation and,  
17 where approval is required and has been previously obtained from  
18 the appropriate body, may be ratified and approved on the same  
19 day notwithstanding any other provision of the law to the contrary.

20 The persons comprising the governing body of the consolidated  
21 municipalities, within the 30-day period prior to the date of con-  
22 solidation, are hereby empowered to meet, appoint or approve  
23 appointments of persons to office to the extent authorized by the  
24 provisions of the municipal charter as herein provided for, and  
25 adopt temporary resolutions. Any temporary resolution adopted  
26 by the governing body elect during said 30-day period, shall not  
27 have force and effect beyond the date of consolidation. Such  
28 temporary resolutions may prohibit any officer or employee of any  
29 participating municipality from taking such action or entering into  
30 such agreement or contract as the governing body elect shall direct  
31 in the temporary resolution not be taken or entered into. Tempo-  
32 rary resolutions may also be adopted requesting officers or em-  
33 ployees of any participating municipality to take affirmative action  
34 but such temporary resolutions shall not be binding upon such  
35 officers and employees.

1 28. (New section) Immediately upon the installation of the new  
2 municipal government, the officers having custody of the funds of  
3 the participating municipalities shall deliver all funds in their  
4 possession into the custody of the proper fiscal officer of the con-  
5 solidated municipality, who shall acknowledge delivery by giving  
6 his receipt therefor.

7 The mayor or other chief executive officer of the consolidated  
8 municipality shall supervise and direct the transfer of all personal  
9 property, books, papers, vouchers, or other documents belonging  
10 to the participating municipalities, to the proper officers of the new  
11 government. He shall cause a complete inventory to be made of  
12 all assets, real and personal, received by the new government.

13 The department shall cause an audit and settlement of officer's  
14 accounts to be made forthwith. The official bonds of the officers and  
15 officials shall continue in force and effect until the audit and settle-  
16 ment have been completed.

17 Whenever a plan of consolidation provides that property within  
18 a participating municipality or school district therein, shall remain  
19 subject to separate taxation, after consolidation, for the payment  
20 of interest and principal on any preexisting indebtedness, such  
21 property shall be taxed and assessed therefor at the same time  
22 and in the same manner as provided by law for general taxation

23 of real property for the support of the municipality or school  
24 district, as the case may be.

1 29. (New section) The terms of office and appointments of all  
2 local officers and employees elected or appointed by, in, or for the  
3 participating municipalities, and by, in, or for any special district  
4 or public authority functioning within the boundaries of the  
5 participating municipality or municipalities shall, except as other-  
6 wise provided in this act, or where applicable as provided in the  
7 "Optional Municipal Charter Law," terminate on the date of  
8 consolidation.

1 30. (New section) No suit, action, or proceeding pending in any  
2 court or before any board or department wherein one of the  
3 participating municipalities is a party, or in which it is interested,  
4 or by the determination of which it might be affected, shall abate  
5 by reason of the consolidation, but the consolidated municipality  
6 shall be substituted in the place and stead of such participating  
7 municipality, and the suit, action, or proceeding shall continue as  
8 if the consolidation had not taken place, and in accordance with the  
9 applicable laws, ordinances and regulations of the constituent  
10 municipalities.

1 31. (New section) During the period between the date of a  
2 favorable referendum, held pursuant to this act, and the date of  
3 consolidation, bonds or other obligations shall be authorized and  
4 issued, and contractual duties incurred by any participating  
5 municipality only to the extent permitted by the consolidation plan.

6 Bonds of the participating municipalities which have been sold,  
7 or in anticipation of the issuance of which temporary notes have  
8 been issued prior to the date of consolidation, may be issued and  
9 delivered or permanent bonds issued, as the case may be, by the  
10 consolidated municipality, after the date of consolidation, without  
11 further authorization and notwithstanding any limitations hereto  
12 or hereafter imposed by law on the form, amount or terms of such  
13 indebtedness. The issuance of any other bonds or obligations by  
14 the consolidated municipality shall require new authorization after  
15 the date of consolidation, pursuant to applicable provisions of law  
16 at the time of authorization.

1 32. (New section) Permits, licenses and franchises granted to  
2 any place or person by any of the participating municipalities  
3 shall, subject to their conditions, remain in full force and effect  
4 and be recognized by the consolidated municipality until the  
5 expiration of the term for which they were granted. But this sec-  
6 tion shall not be construed to prevent the revocation of any such

7 permit or license before its expiration, in the manner provided by  
8 law.

1 33. (New section) a. From and after the date of consolidation,  
2 except as provided in subsection b. hereof, the school districts of  
3 the consolidated municipalities shall be a single school district  
4 which shall be administered pursuant to the provisions of Title  
5 18A. of the New Jersey Statutes, subject to the following pro-  
6 visions:

7 (1) If the school districts of the participating municipalities are  
8 all classified as either a type I or type II district, such classification  
9 shall be retained.

10 (2) If the school districts of the participating municipalities are  
11 classified as both type I and type II districts, the classification of  
12 the single school districts within the consolidated municipality  
13 shall be specified in the plan of consolidation.

14 b. If any participating municipality is a member of a regional  
15 school district which is not coextensive in territory and jurisdiction  
16 with the participating municipalities comprising the consolidated  
17 municipality, the plan of consolidation shall establish, subject to  
18 the approval of the State Commissioner of Education, whether the  
19 consolidated municipality shall constitute a single school district  
20 or shall be divided among two or more school districts and shall  
21 provide for its financing of all school costs.

1 34. (New section) All principals, teachers, and employees in the  
2 public schools of the participating municipalities, or of any regional  
3 school district or portion thereof abolished by the consolidation,  
4 shall, when the consolidation becomes effective, be principals,  
5 teachers and employees respectively in the public schools of the  
6 school district established pursuant to section 33 of this act.

7 Except as otherwise provided in the consolidation plan of the  
8 consolidation commission, all board members of school districts of  
9 the participating municipalities shall be board members of any new  
10 school district established pursuant to section 33 of this act.

11 All officers and employees of the participating municipalities  
12 whose employment is continued following consolidation shall be  
13 employees of the consolidated municipality. They shall be subject  
14 to the orders and control of the mayor or other chief executive  
15 officer of the consolidated municipality and such other officers of  
16 the consolidated municipality as he shall authorize or as shall be  
17 authorized under the charter setting forth the form of government  
18 for the consolidated municipality.

19 The tenure and pension rights under State laws of officers and  
20 employees of the participating municipalities, or of any public  
21 authority thereof, shall not be affected by the consolidation of  
22 the participating municipalities, but the provisions of this section  
23 shall not preclude the revision, consolidation or elimination of  
24 offices and positions as may be required by the consolidation, all  
25 of which shall be carried out in conformity with the provisions of  
26 the consolidation plan adopted by the consolidation commission.

1 35. (New section) Within 3 months from the date of consolida-  
2 tion, the governing body of the consolidated municipality shall, in  
3 accordance with the provisions of this section, file an application  
4 with the department for a joint service program grant to be paid  
5 out of the appropriations made pursuant to the Interlocal Services  
6 Aid Act. The application shall include a 2-year schedule of  
7 anticipated expenses and such other information as may be re-  
8 quired by the commissioner. State financial assistance shall be,  
9 insofar as adequate funds are available therefor, rendered for not  
10 more than 2 successive years for any extraordinary administrative  
11 and operating expenses incurred, for joint services compensable  
12 under said act, in the first 2 years of the consolidation by the  
13 applicant municipality that would not have otherwise been incurred  
14 if the consolidation had not taken place; except that, such expenses  
15 shall not include costs which are considered capital costs as set  
16 forth in N. J. S. 40A:2-22.

17 The amount of the grant of assistance made pursuant to this  
18 section shall not exceed, for any 12-month period, \$150,000.00 or,  
19 one-fourth of the appropriation made pursuant to the Interlocal  
20 Services Aid Act in the fiscal year in which said grant is to be made,  
21 whichever is the lesser amount. Notwithstanding that the total  
22 annual grant to any consolidated municipality may exceed the  
23 aforesaid limitations, the commissioner may, at the end of the fiscal  
24 year, allocate to said municipality any unexpended and uncom-  
25 mitted moneys from the sums appropriated under the Interlocal  
26 Services Aid Act in order to provide such additional financial  
27 assistance for which the consolidated municipality would have been  
28 eligible if the said limitations were not in effect.

29 Any municipality having consolidated pursuant to a consolida-  
30 tion plan approved by the department shall have first claim on any  
31 moneys appropriated under the Interlocal Services Aid Act which  
32 have not been committed at the time of application. The commis-  
33 sioner shall reserve the necessary moneys for meeting the certified  
34 expenses of any such consolidated municipality. Reservation of

35 moneys shall also be made for a consolidation in accordance with  
36 an approved plan at any time after the consolidation plan has been  
37 approved by the electorate and prior to the filing of an appropriate  
38 application, provided that a written request for such reservation  
39 is made by the concerned governing body or bodies.

40 Within 30 days of the receipt of an application from the con-  
41 solidated municipality, the commissioner shall certify to the State  
42 Treasurer the amount of financial assistance to be provided here-  
43 under to the consolidated municipality, and said amount shall  
44 thereupon be paid to the consolidated municipality. Payments  
45 of aid moneys shall be paid on a quarterly basis for the 2-year  
46 period by the State Treasurer in the manner set forth in section 8  
47 (C. 40:8B-8) of the Interlocal Services Aid Act, and all such  
48 moneys expended by the consolidated municipality shall be certified  
49 by the commissioner in accordance with paragraph (3) of section 7  
50 (C. 40:8B-7d(3)) of said act.

1 36. (New section) a. "Commissioner" shall mean the Commis-  
2 sioner of Community Affairs.

3 b. "Consolidated municipality" shall mean the single new  
4 municipality that results from an affirmative consolidation effort  
5 pursuant to the provisions of this act.

6 c. "Consolidation commission," or "commission," shall mean a  
7 joint municipal consolidation commission created pursuant to the  
8 provisions of section 9 of this act.

9 d. "Department" shall mean the Department of Community  
10 Affairs.

11 e. "Eligible consolidated municipality" shall mean a munici-  
12 pality consolidated pursuant to the provisions of this act under a  
13 plan approved by the department.

14 f. "Participating municipalities" shall mean any two or more  
15 municipalities involved in a consolidation effort or which have  
16 been consolidated together into a consolidated municipality pur-  
17 suant to the provisions of this act.

1 37. Section 3 of P. L. 1973, c. 289 (C. 40:8B-3) is amended to  
2 read as follows:

3 3. The funds appropriated pursuant to this act shall be made  
4 available to qualified applicants for the following purposes:

5 a. To provide a service which, based on the evidence submitted  
6 pursuant to section 6 of this act, can only be provided adequately  
7 on a joint basis;

8 b. To provide a service which is currently not being provided at  
9 all or which, based on the evidence submitted pursuant to section 6

10 of this act, is being provided at a level substantially below the  
11 minimum needs of the recipients;

12 c. To promote consolidation of existing service systems to  
13 achieve efficiency and economy[.];

14 d. *To promote municipal consolidation pursuant to the Municipal*  
15 *Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

16 *Subject to the availability of funds and the limitations of sections*  
17 *16 and 35 (C. . . . .) of the Municipal Consolidation Act,*  
18 *reservation of funds shall be made for any request or application*  
19 *filed pursuant to said sections and such request or application*  
20 *shall have a first claim on such funds which have not been expended*  
21 *or committed at the time of the receipt by the commissioner of the*  
22 *request or application.*

1 38. Section 4 of P. L. 1973, c. 289 (C. 40:8B-4) is amended to  
2 read as follows:

3 4. a. Any local unit may apply for a grant under this act to  
4 provide any or all of the services specified in section 5 of this act  
5 jointly with any other local unit or units, *or for the consolidation*  
6 *of two or more municipalities.* A quasi-governmental or para-  
7 governmental agency may also apply to participate in a joint  
8 program and receive aid under this act; but such application shall  
9 be made through the local unit or units served by or supporting  
10 such agency, and all grants to such agency shall be made through  
11 such local unit or units.

12 b. The local units applying for aid may provide the service *or*  
13 *services* in any manner authorized by the "Interlocal Services Act"  
14 (now pending before the Legislature as Senate No. 306), the "Con-  
15 solidated Municipal Services Act" (P. L. 1952, c. 72; C. 40:48B-1  
16 et seq.), or in any other form authorized by law, *or pursuant to the*  
17 *"Municipal Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

1 39. Section 6 of P. L. 1973, c. 289 (C. 40:8B-6) is amended to  
2 read as follows:

3 6. a. No grant under this act shall be made to any joint program  
4 which has not submitted an approved plan of operations based on  
5 a feasibility study of the project conducted pursuant to this section.  
6 *A 2-year grant may, however, be extended to any consolidated*  
7 *municipality filing an application pursuant to section 35 of the*  
8 *Municipal Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

9 Such feasibility study shall be conducted by or under the super-  
10 vision of the Department of Community Affairs, either (1) by the  
11 Department of Community Affairs or by an agency or agencies  
12 of the State of New Jersey approved by the Commissioner of

13 Community Affairs, or (2) by a qualified third party approved  
14 by the Department of Community Affairs and by the principal  
15 executive officer of any principal executive department of State  
16 Government whose approval of such feasibility study is required  
17 by subsection b. of this section and by a majority of two-thirds or  
18 more of the applicant local units. Such plan of operations shall  
19 constitute the final element of the feasibility study when approved  
20 by the Commissioner of Community Affairs and by any and every  
21 principal executive officer of a principal executive department of  
22 State Government which exercises jurisdiction over the perform-  
23 ance of the services to be provided jointly under the proposed  
24 program.

25 b. Any local units eligible for aid as defined in sections 3 and 4 of  
26 this act shall be eligible to apply for funds to conduct a feasibility  
27 study under the auspices of the Department of Community Affairs.  
28 Application for such shall include: the names of the proposed  
29 participants; certified copies of a resolution or substantially similar  
30 resolutions passed by the governing bodies of the participating  
31 units authorizing such application; the services for which joint  
32 programs are contemplated, and the expected benefits of such a  
33 joint program. The application shall be in such form and shall also  
34 contain such other information as may be required by the Commis-  
35 sioner of Community Affairs.

36 All grants for feasibility studies shall require the joint approval  
37 of the Commissioner of Community Affairs and the principal execu-  
38 tive officer of any and every principal executive department of State  
39 Government which exercises jurisdiction over the performance of  
40 the services to be provided jointly under the proposed program.

41 c. The feasibility study shall include such detailed surveys of  
42 present service standards in the area to be served by the joint  
43 program as may be required to establish substantial evidence that  
44 a joint program would either enable provision of a needed service  
45 which could not otherwise be provided, or remedy existing levels  
46 of service provision, or otherwise produce better services at rela-  
47 tively lower unit costs or with more efficient administration, and  
48 that such joint programs would not adversely affect neighboring  
49 local units, and that no neighboring local unit which might benefit  
50 is being excluded from the program; provided that any such local  
51 unit claiming exclusion had expressed a desire to be included in  
52 the feasibility study by giving written notice of such desire to the  
53 Commissioner of Community Affairs within 30 days from the date  
54 on which the commissioner made public announcement of the  
55 feasibility study grant.

56 d. Within 1 month of the completion of the feasibility study, the  
57 Department of Community Affairs shall hold a public hearing in  
58 each local unit to be included in the proposed joint program. After  
59 such hearings and upon submission and approval of a plan based  
60 thereon as provided in subsection a. of this section, the joint pro-  
61 gram shall be eligible for aid under this act. No joint program  
62 shall receive aid unless the governing bodies of all participating  
63 local units have passed identically worded resolutions ratifying the  
64 grant contract between the State and the participating local units.

65 If the feasibility study shall contain recommendations for estab-  
66 lishing a joint service program, within 6 months from the date  
67 of the last public hearing on the feasibility study, the governing  
68 body of each local unit which participated in the study shall  
69 communicate in writing to the Commissioner of Community Affairs  
70 stating their intentions of implementing or their specific and  
71 detailed objections to implementing each recommendation made  
72 in the feasibility study for establishing a joint service plan.

73 e. The Commissioner of Community Affairs shall, upon formal  
74 request by the governing body or chief executive officer of any local  
75 unit, cause to be made a preliminary survey as to the eligibility of  
76 such local unit and any other local units for State aid under this  
77 act with respect to any joint arrangements for provision of services  
78 specified or suggested in such request. Such preliminary survey  
79 shall be of sufficient scope and detail to enable the commissioner to  
80 advise all local units concerned in the projected joint arrangement  
81 whether the circumstances warrant detailed feasibility study  
82 pursuant to subsections a., b., c. and d. of this section; and the  
83 commissioner shall transmit formal notice of the findings and con-  
84 clusions of such preliminary survey to all the said local units  
85 concerned.

1 40. Chapter 38 of Title 19 of the Revised Statutes and the "Local  
2 Units Permissive Consolidation Act (1939)," P. L. 1939, c. 343,  
3 approved October 3, 1939 (C. 40:43-66.1 et seq.) and all amend-  
4 ments and supplements thereto are hereby repealed.

1 41. This act shall take effect immediately.

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 580**

with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: APRIL 12, 1976

Senate Bill No. 580, the Municipal Consolidation Act, revises, amends and supplements the law on municipal consolidations and repeals the existing law thereon, the Local Units Permissive Consolidation Act (P. L. 1939, c. 343, C. 40:43-66.1 et seq.).

Senate Bill No. 580 authorizes two or more municipalities, by petition of their respective electorates or resolutions of their governing bodies, to hold a referendum prior to July 1 of any year on the question of creating a consolidation study commission. At the elections on said question, the electorates shall also vote for the elected members to the commission. All five of the members shall be elected if the question has been placed on the ballot by petition; at least three of the members shall be elected if the question is placed on the ballot by resolution of the governing body, in which instance the governing body may appoint up to two members.

An affirmative vote of the electorate in the municipality holding such referendum is required in order to permit that municipality to participate in the study. If the question fails to be approved in at least two municipalities, or in any municipality in which such question is rejected, no new petitions or resolutions shall be passed or filed within 4 years of the holding of the referendum and special election.

The members of the commission shall serve without compensation, but shall be, except in the case of the commissioner's appointee, reimbursed for necessary expenses. The commission may hire such professional and other personnel as funds available for such purposes may allow. The commission shall prepare its own budget and submit it to the governing bodies of the participating municipalities for their review and approval. The governing bodies of the participating municipalities shall be obligated to fund, on a pro rata basis, that portion of the approved budget which is not funded from other sources.

All actions taken by the study commission shall be by affirmative vote of a majority of each of the municipal delegations.

The commission shall have all of the powers of a study commission under the Optional Municipal Charter Law. It shall study (1) the

feasibility of consolidation and make recommendations thereon, (2) specified alternative forms of government for the consolidated municipality, and (3) such other matters as are set forth in section 12. For purposes of conducting the feasibility study or studies, the commission may, pursuant to the Interlocal Services Aid Act, request the department to perform such study or studies, or may apply for a financial grant from the department in order to carry out the study itself, as set forth in section 16.

The commission shall submit to the department for review its preliminary report and recommendations, to be completed within 7 calendar months of the date of the referendum. The departmental review of the constitutionality, legality and fiscal practicability of the commission recommendations, shall be completed within 30 days of the receipt of said report and recommendations, and the department may approve, disapprove or conditionally approve said report and recommendations. The consolidation plan of the commission may, within 9 months of the commission's creation, be submitted for a vote, whether or not it has received departmental approval, but if it does not receive such approval, the State shall not be obligated to provide financial assistance for implementation of the consolidation plan.

The commission may recommend that either a consolidation of all of the participating municipalities take place, or that there be no consolidation. If the commission recommends consolidation, it shall additionally recommend the form of government of the consolidated municipality which recommendation shall be limited to (1) one of the optional municipal charter plans, (2) the retention of one of the charters of the participating municipalities, or (3) petitioning the State Legislature for a special charter.

If the commission recommends against consolidation, it may recommend the consolidation or regionalization of separate municipal functions pursuant to law. The commission shall specify the functions or services to be consolidated or regionalized and establish a schedule therefor, and may recommend that a consolidation be reconsidered at a later date. Such reconsideration may not take place without the creation of a new consolidation study commission.

The consolidation plan shall be adopted only if approved by a majority of those voting on the question in each of the participating municipalities.

Sections 24 through 34 provide a schedule for and prescribe the manner of effectuating the consolidation.

Section 35 makes a consolidated municipality eligible for State aid from moneys appropriated under the Interlocal Services Aid Act. State aid shall be, insofar as funds are available therefor, granted for 2

years in order to cover extraordinary administrative and operating expenses, as defined under said act, incurred in the first 2 years following consolidation. The amount of aid shall not exceed the lesser sum of \$150,000.00 or  $\frac{1}{4}$  of the appropriation made under said act for the fiscal year in which the application is received and approved. Applications for aid from consolidation commissions and, in prescribed instances from consolidated municipalities, shall have first claim on available State funds and reservations of funds shall also be made therefor.

The remaining sections of the bill amend the Interlocal Services Aid Act in order to recognize the eligibility for grants-in-aid of consolidation commissions and consolidated municipalities, as such eligibility is defined in sections 16 and 35 of the Municipal Consolidation Act.

Some other substantive features of the bill are:

(1) Extending to consolidation undertakings some of the aid provisions of the Interlocal Services Aid Act.

(2) Allowing vacancies on the consolidation commission to be filled by appointments of the governing body; and

(3) Granting to participating municipalities the power to review and approve the budgets of consolidation commissions and to make to such commissions grants in-kind as well as in moneys.

The Senate committee amendments (1) assure that private hearings may be held by the consolidation commission insofar as not inconsistent with the provisions of the Open Public Meetings Act, and (2) require that action by the governing body to place the question of establishing a consolidation study commission shall be by ordinance rather than resolution.

SENATE COMMITTEE AMENDMENTS TO  
**SENATE, No. 580**

**STATE OF NEW JERSEY**

ADOPTED APRIL 12, 1976

Amend page 2, section 4, line 3, omit "resolution", insert "ordinance".

Amend page 2, section 4, line 5, omit "resolution", insert "ordinance".

Amend page 2, section 4, line 8, omit "resolution", insert "ordinance".

Amend page 2, section 4, line 11, omit "resolution", insert "ordinance".

Amend page 2, section 4, line 12, omit "resolution", insert "ordinance".

Amend page 2, section 4, line 14, omit "a resolution", insert "an ordinance".

Amend page 3, section 5, line 28, omit "resolution", insert "ordinance".

Amend page 3, section 6, line 1, omit "resolutions", insert "ordinances".

Amend page 3, section 6, line 20, omit "resolutions", insert "ordinances".

Amend page 4, section 7, line 6, omit "resolution", insert "ordinance".

Amend page 4, section 7, line 8, omit "resolution", insert "ordinance".

Amend page 7, section 13, line 2, after "may", insert ", insofar as not inconsistent with the provisions of the Open Public Meetings Act (P. L. 1975, c. 231; C. 10:4-6 et seq.),"; after "and", insert "may".

Amend page 9, section 16, line 22, omit "a nappropriate", insert "an appropriate".

Amend page 13, section 22, line 1, omit "resolution", insert "ordinance".

Amend page 13, section 22, line 4, omit "resolution", insert "ordinance".

Amend page 13, section 22, line 7, omit "resolution", insert "ordinance".

Amend page 13, section 22, line 11, omit "resolution", insert "ordinance".

[OFFICIAL COPY REPRINT]

SENATE, No. 580

# STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators MARTINDELL and MUSTO

AN ACT authorizing the establishment of joint municipal consolidation commissions with powers to act as a charter commission under the "Optional Municipal Charter Law," providing for the consolidation of municipalities, authorizing State financial assistance, repealing chapter 38 of Title 19 of the Revised Statutes and P. L. 1939, c. 343 and all amendments and supplements thereto, amending the Interlocal Services Aid Act (P. L. 1973, c. 289), and supplementing Title 40 of the Revised Statutes.

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

1 1. (New section) This act shall be known and may be cited as  
2 the Municipal Consolidation Act.

1 2. (New section) The Legislature hereby finds and determines  
2 that there are situations in this State where bonds of inter-  
3 dependence form a recognized community of interest between or  
4 among municipalities and that in such instances it may be in the  
5 public interest to encourage such municipalities to consider consoli-  
6 dation as a means of insuring more rational control of growth and  
7 development, more efficient provision of local services and more  
8 viable and capable public administration. The Legislature further  
9 finds and determines that the present laws are inadequate to  
10 encourage local consideration of consolidation in many instances  
11 where such action might be desirable and that a program of State  
12 facilitation and State financial assistance together with a simplified  
13 and improved consolidation statute would help insure proper local  
14 consideration of such action in those instances where it may be  
15 desirable, and where voluntarily agreed to by the municipalities  
16 involved.

1 3. (New section) Any two or more municipalities in the same  
2 county comprising contiguous territory when considered as an

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

3 overall entity may be consolidated into a single municipality  
4 pursuant to the provisions of this act.

1 4. (New section) The governing body of any municipality pro-  
2 posing to consolidate with one or more other municipalities may,  
3 by \***[resolution]**\* *ordinance*\*, propose the formation of a joint  
4 municipal consolidation commission as provided for in section 6  
5 of this act. The \***[resolution]**\* *ordinance*\* shall recite that the  
6 governing body is seeking the formation of a joint municipal con-  
7 solidation commission pursuant to the provisions of this act and  
8 shall name the municipalities proposed to be consolidated together.  
9 The \***[resolution]**\* *ordinance*\* shall require the affirmative vote  
10 of two-thirds of the authorized membership of the governing body  
11 in order to be adopted. Upon adoption, a certified copy of the  
12 \***[resolution]**\* *ordinance*\* shall be sent by the clerk of the govern-  
13 ing body to each of the other municipalities named in the \***[resolu-**  
14 **tion]**\* *ordinance*\* and to the clerk of the county in which such  
15 municipalities are located.

16 Upon notification of the adoption of such \***[a resolution]**\* *an*  
17 *ordinance*\* by each of the municipalities named therein, the county  
18 clerk shall so inform the municipal clerk of each participating  
19 municipality, and a referendum on the formation of a joint con-  
19A solidation commission and an election of the nonappointed members  
19B thereon shall be held as provided in section 6 of this act.

20 Any consolidation study undertaken by a commission or com-  
21 mittee created by municipal action prior to the effective date of  
22 this act shall be eligible for all of the benefits conferred by this  
23 act; provided, however, that the plan of consolidation of the com-  
24 mission or committee shall be submitted to the Commissioner of  
25 Community Affairs and to the registered voters of each of the  
26 participating municipalities in accordance with sections 16 and 20  
27 of this act.

1 5. (New section) In addition to the procedure set forth in sec-  
2 tion 4 of this act, the formation of a consolidation commission may  
3 be initiated at the request of the residents of each of the munici-  
4 palities for which consolidation is proposed. A petition requesting  
5 the formation of a consolidation commission and the election of  
6 members thereon, shall be filed with the clerk of the county in which  
7 the municipality shall be located and notice of the filing of such a  
8 petition shall also be filed with the governing body of the munici-  
9 pality. The petition shall be signed by 10% of the registered voters  
10 of the municipality or by 1,000 registered voters thereof, whichever  
11 is the lesser number, and shall recite that the signers thereof are  
12 seeking the formation of a consolidation commission pursuant to

13 the provisions of this act and shall name the municipalities pro-  
14 posed to be consolidated.

15 The county clerk shall forthwith ascertain and certify to the  
16 governing body the number of signatures and the validity thereof  
17 affixed to any petitions filed pursuant to the provisions of this  
18 section. Whenever the county clerk shall determine that a petition  
19 has been signed by the required number of registered voters of  
20 each of the municipalities named in the petitions filed with him, he  
21 shall certify such results to the municipal clerk of each participat-  
22 ing municipality and a referendum on the formation of a consolida-  
23 tion commission and an election of members thereto shall be held  
24 as provided in section 6 of this act.

25 A referendum on the formation of a consolidation commission  
26 and an election of the nonappointed members thereto shall also  
27 be held in those instances where one or more of the participating  
28 municipalities have proceeded by \***resolution**\* *ordinance*\* of the  
29 governing body pursuant to section 4 hereof and one or more have  
30 proceeded by proper petition pursuant to this section.

1 6. (New section) Whenever authorized by \***resolutions**\*  
2 *ordinances*\* adopted by the governing bodies of the participating  
3 municipalities or upon petition of the registered voters of the  
4 participating municipalities, or a combination of both, an election  
5 shall be held in each of the municipalities upon the question:

6 “Shall a joint municipal consolidation commission be created  
7 to consider the consolidation of (insert the names of all par-  
8 ticipating municipalities) into a single new municipality and  
9 to consider the retention of the municipal charter of one of  
10 the participating municipalities or a new charter for said  
11 municipality from among those charters provided under the  
12 Optional Municipal Charter Law or to petition the Legislature  
13 for a special charter and to make recommendations thereon?”

14 The municipal clerk shall provide for the submission of the  
15 question and for the creation of a consolidation commission, which  
16 shall also have the full powers of a charter commission under the  
17 provisions of the Optional Municipal Charter Law (P. L. 1950,  
18 c. 210 (C. 40:69A-1 et seq.)) at a special election, occurring before  
19 July 1 of any year but in no event less than 60 days after receipt  
20 of notification from the county clerk that \***resolutions**\*  
21 *ordinances*\* or petitions, as the case may be, have been received  
22 in proper form from all participating municipalities.

1 7. (New section) The consolidation commission shall consist of  
2 five members from each participating municipality who shall be

3 selected as follows. If the question is placed on the ballot by peti-  
4 tion, the five commissioners shall be elected by the qualified voters  
5 at the same time as the public question is submitted. If the question  
6 is placed on the ballot by \***[resolution]**\* *ordinance* of the govern-  
7 ing body of the municipality, the governing body of that munici-  
8 pality may prescribe in said \***[resolution]**\* *ordinance* the manner  
9 of selection of the five commissioners, provided that at least three  
10 commissioners shall be elected by the qualified voters at the same  
11 time as the public question is submitted. Duly nominated candidates  
12 for the office of consolidation commissioner shall be placed upon  
13 the ballot containing the public question in the same manner as is  
14 provided by law for candidates nominated by petition for other  
15 elective offices of a single municipality, except that they shall be  
16 listed without any designation or slogan. Each voter shall be  
17 instructed to vote on the question and, regardless of the manner  
18 of his vote on the question, to vote for the elected members of a  
19 consolidation commission who shall serve if the question is  
20 determined in the affirmative.

1 8. (New section) Candidates for the consolidation commission  
2 from each participating municipality shall be registered voters of  
3 the municipality. They may be nominated by petitions signed by  
4 at least 3% of the registered voters of the municipality, and filed  
5 with the municipal clerk not less than 60 days prior to the date of  
6 the election.

7 a. Each nominating petition shall set forth the names, places of  
8 residence, and post-office addresses of the candidate or candidates  
9 thereby nominated, that the nomination is for the office of consolida-  
10 tion commissioner and that the petitioners are registered voters of  
11 the municipality. Every voter signing a nominating petition shall  
12 add to his signature, his place of residence, post-office address and  
13 street number, if any. No voter shall sign a petition or petitions  
14 for more than three candidates if five candidates are nominated  
15 and no voter shall sign a petition or petitions for more than two  
16 candidates if less than five candidates are nominated.

17 b. Each nominating petition shall, before it may be filed with the  
18 municipal clerk, contain an acceptance of such nomination in writ-  
19 ing, signed by the candidate or candidates therein nominated, upon  
20 or annexed to such petition, or if the same person or persons be  
21 named in more than one petition, upon or annexed to one of such  
22 petitions. Such acceptance shall certify that the candidate is a  
23 registered voter of the municipality, that the nominee consents to

24 stand as a candidate at the election and that if elected, he agrees  
25 to take office and serve.

26 c. Each nominating petition shall be verified by an oath or  
27 affirmation of one or more of the signers thereof, taken and sub-  
28 scribed before a person qualified under the laws of New Jersey  
29 to administer an oath, to the effect that the petition was signed  
30 by each of the signers thereof in his proper handwriting, that the  
31 signers are, to the best knowledge and belief of the affiant, regis-  
32 tered voters of the municipality, and the petition is prepared and  
33 filed in good faith for the sole purpose of endorsing the person or  
34 persons named therein for election as stated in the petition.

1 9. (New section) The result of the votes cast for and against the  
2 adoption of the public question shall be returned by the election  
3 officials, and a canvass of such election had, as is provided by law  
4 in the case of other public questions put to the voters of a single  
5 municipality. The public question shall be deemed adopted, and a  
6 consolidation commission created if a majority of the votes cast on  
7 the public question in each participating municipality shall be in  
8 the affirmative.

9 The votes cast for members of the consolidation commission  
10 shall be counted, and the result thereof returned by the election  
11 officers and a canvass of such election had as is provided by law  
12 in the case of the election of members of the local governing body.  
13 The candidates receiving the greatest number of votes shall be  
14 elected and shall constitute the consolidation commission members  
15 from the participating municipality in which they reside, provided  
16 that if a majority of those voting on the public question in any  
17 of the participating municipalities shall have voted against the  
18 formation of a consolidation commission, none of the candidates  
19 in any of the participating municipalities shall be elected. If two  
20 or more candidates shall be equal and greatest in votes they shall  
21 draw lots to determine which one shall be elected.

22 The results of the election in each participating municipality  
23 shall be certified by the election officials to the county clerk who  
24 shall, in turn, not more than 5 days after said certification, notify  
25 the Commissioner of Community Affairs of said election results.

1 10. (New section) Except as otherwise herein provided, the con-  
2 solidation commission shall consist of five members from each  
3 participating municipality and one member appointed by the Com-  
4 missioner of the Department of Community Affairs. The com-  
5 missioner's appointee shall serve at his pleasure, need not be a  
6 resident of any of the participating municipalities, and shall

7 participate in all proceedings of the commission but shall not have  
8 a vote and may not serve as an officer.

9 As soon as possible and in any event no later than 15 days after  
10 approval at a special election, the consolidation commission shall  
11 organize and hold its first meeting. The consolidation commission  
12 may elect one of its members as chairman or provide for the rota-  
13 tion of the chairmanship among the members of each participating  
14 municipality. The consolidation commission shall fix its hours and  
15 places of meeting, adopt such rules for the conduct of its business  
16 as it may deem necessary and advisable and appoint a secretary  
17 who need not be a member of the commission. A majority of the  
18 total voting membership of the commission shall constitute a  
19 quorum for the transaction of business but no recommendation of  
20 said commission shall have any legal effect pursuant to sections 17  
21 and 19 of this act, unless adopted by a majority of the commis-  
22 sioners from each of the participating municipalities. The secretary  
23 of the consolidation commission shall act as administrative officer  
24 of the commission and shall preside over meetings in the absence  
25 of the chairman.

1 11. (New section) In case of any vacancy in the membership of  
2 the consolidation commission other than that of the commissioner's  
3 appointee, the governing body of the participating municipality in  
4 which the vacancy occurred shall fill it by appointing thereto a  
5 registered voter of said municipality.

6 In the case of a vacancy caused by the death, resignation or  
7 absence of the commissioner's appointee, the Commissioner of  
8 Community Affairs shall appoint a replacement member in accord-  
9 ance with the provisions of section 10 of this act.

1 12. (New section) It shall be the function and duty of the consoli-  
2 dation commission to study the question of consolidating the par-  
3 ticipating municipalities into a single new municipality and its  
4 feasibility. In carrying out its duties as a consolidation commission,  
5 the commission shall also study the forms of government available  
6 under the "Optional Municipal Charter Law" and shall exercise  
7 all of the functions and duties of a charter commission under said  
8 law. Should the consolidation commission determine to recommend  
9 the consolidation of the participating municipalities into a single  
10 municipality, the commission shall prepare a report which shall  
11 provide a plan of consolidation which shall set forth:

12 a. The name, type and form of government of the proposed new  
13 municipality;

14 b. Whether the municipal charter, if any, of any one of the par-  
 15 ticipating municipalities shall become the charter of the proposed  
 16 new municipality;

17 c. Details of adjustment of the indebtedness and other obliga-  
 18 tions of the participating municipalities and of the school districts  
 19 therein in such manner as to preserve a fair and equitable burden  
 20 of taxation for debt service;

21 d. The transfer of property and assets of the participating  
 22 municipalities to the proposed new municipality;

23 e. The extent to which participating municipalities may autho-  
 24 rize or issue bonds or other obligations or incur contractual duties  
 25 during the period between the date of the election held pursuant  
 26 to sections 20 and 21 of this act and the date of consolidation as  
 27 provided for in section 24 of this act;

28 f. Any adjustments or changes in offices, positions, or employ-  
 29 ment, including the abolition thereof that may be necessitated by  
 30 the consolidation;

31 g. Determine which of the ordinances, rules and regulations of  
 32 the participating municipalities shall take effect throughout the  
 33 consolidated municipality or portion thereof specifically affected,  
 34 provided, however, that such ordinances, rules and regulations  
 35 shall be effective for 6 months after consolidation but not there-  
 36 after unless reenacted;

37 h. The consolidation commission shall remain effective as a  
 38 codification committee which will present a proposed new code of  
 39 ordinances to the new governing body for enactment within 6  
 40 months after the date of consolidation, with such amendments and  
 41 supplements as the new governing body may deem desirable.

1 13. (New section) The consolidation commission shall hold public  
 2 hearings, may\*, *insofar as not inconsistent with the provisions of*  
 3 *the Open Public Meetings Act (P. L. 1975, c. 231; C. 10:4-6 et seq.),\**  
 4 hold private hearings and *\*may\** sponsor public forums and  
 5 generally shall provide for the widest possible public information  
 5A and discussion respecting the purposes and progress of its work.

6 The commission shall have the power to take testimony and issue  
 7 subpoenas; to compel the attendance of officers and employees of  
 8 the participating municipalities; to compel the production of all  
 9 books, documents and other papers of the participating munici-  
 10 palities and to administer oaths to persons appearing before it  
 11 to testify. Any such subpoenas shall be enforceable, and misconduct  
 12 of a witness may be dealt with, in the manner provided by the  
 13 "County and Municipal Investigations Law" (P. L. 1953, c. 38,  
 14 C. 2A:67A-1 et seq.).

1 14. (New section) Members of the consolidation commission shall  
2 serve without compensation but shall be reimbursed, except in the  
3 case of the commissioner's appointee, by the governing body of the  
4 participating municipality from which they were elected or  
5 appointed for the necessary expenses incurred by them in the per-  
6 formance of their official duties, when itemized and sworn to by the  
7 chairman and secretary.

1 15. (New section) The consolidation commission shall prepare  
2 a proposed budget showing anticipated expenses and anticipated  
3 receipts of funds from all sources. The proposed budget shall be  
4 submitted to the governing bodies of the participating munic-  
5 ipalities for review and approval as is hereinafter provided for  
6 in this act.

7 The consolidation commission may apply to the department for  
8 a State grant for a feasibility study or studies, or request the  
9 department to conduct the study or studies in accordance with the  
10 pertinent provisions of sections 5 and 6 (C. 40:8B-5 and  
11 C. 40:8B-6) of the Interlocal Services Aid Act (P. L. 1973, c. 289).  
12 The commission may also accept privately contributed funds and  
13 Federal assistance. To the extent that the funds from these sources  
14 are not adequate to cover the expenses of the consolidation com-  
15 mission, approved expenses shall be borne by the participating  
16 municipalities in the proportion that the taxable property within  
17 each bears to the whole taxable property within the proposed  
18 consolidated municipality. Such apportionment shall be based upon  
19 the last abstract of ratables made for the purpose of levying taxes  
20 in the respective municipalities concerned. The participating  
21 municipalities shall make available to the consolidation commission  
22 such facilities and professional, technical and clerical assistance  
23 as said municipalities may jointly agree upon.

24 All expenditures of funds by the commission shall be subject to  
25 audit in the same manner that all municipal expenditures are  
26 subject to audit. Budget requests made pursuant to this section  
27 may be provided by emergency appropriations if funds are not  
28 otherwise available for such purposes in the municipal budget.

29 Within the limits of available funds, the commission may appoint,  
30 in addition to the secretary, such consultants and clerical and other  
31 assistants as it may require, to serve at the pleasure of the com-  
32 mission, and may fix a reasonable compensation to be paid for the  
33 services rendered.

1 16. (New section) The Department of Community Affairs shall,  
2 to every possible extent, advise and cooperate with any consolida-

3 tion commission created pursuant to this act and shall make  
4 available its facilities and records and technical and professional  
5 assistance from its staff. The department shall consider promptly  
6 any application for a State grant for, or a request for the depart-  
7 ment to conduct the feasibility study or studies; provided, however,  
8 that whenever the feasibility study or studies are to be conducted  
9 by a party other than the department, said party shall be approved  
10 by, and conduct the study or studies under the supervision of, the  
11 department, and the amount of State financial assistance therefor,  
12 shall not exceed in the aggregate 75% of the cost of the study or  
13 studies or \$30,000.00, whichever is the lesser amount. Upon  
14 approval of such study or studies, the commissioner shall certify  
15 the amount approved to the State Treasurer who shall make  
16 immediate payment thereon. Any application for financial assis-  
17 tance submitted by a consolidation commission shall have first  
18 claim on any moneys appropriated under the Interlocal Services  
19 Aid Act which have not been expended or committed at the time of  
20 application. At the written request of the consolidation commis-  
21 sion, a reservation of moneys shall be made by the commissioner  
22 prior to the filing of ~~\*[a nappropriate]\*~~ *\*an appropriate\**  
23 application by the consolidation commission.

24 The preliminary and recommendation of a consolidation com-  
25 mission shall be made not later than 7 calendar months from the  
26 date of referendum.

27 If the consolidation commission has recommended the consolida-  
28 tion of the participating municipalities into a single new munici-  
29 pality, the department shall review the report and recommendations  
30 and, within 30 days of the receipt thereof, shall indicate to the  
31 consolidation commission in writing whether it approves of the  
32 report and recommendations. The department shall approve any  
33 plan of consolidation presented to it whenever it determines that  
34 the plan complies with the requirements of the Constitution and  
35 all applicable laws, including the provisions of this act, and that  
36 its fiscal provisions are practicable. The department may dis-  
37 approve the report and recommendations or may give conditional  
38 approval, contingent upon acceptance by the consolidation com-  
39 mission of specific amendments recommended by the department.

40 The preliminary report and recommendation shall be returned  
41 by the department to the consolidation commission together with  
42 the action taken by the department endorsed upon the report. The  
43 consolidation commission may make such changes or amendments  
44 as may be required in order to obtain departmental approval. In

45 such case, an amended report and recommendation shall be re-  
46 submitted to the department for its review and approval. If there  
47 has been compliance with the departmental recommendations, the  
48 department shall return the report and recommendations forthwith  
49 with its approval thereon. If there has not been compliance to the  
50 department's satisfaction, the department shall return the report  
51 and recommendations to the consolidation commission forthwith  
52 with its disapproval noted thereon.

53 Any report of a consolidation commission recommending a plan  
54 of consolidation may be submitted as provided in section 17 of this  
55 act without the approval of the department. The State shall not  
56 be obligated to provide the financial assistance provided for in  
57 section 35 of this act to a consolidated municipality that was not  
58 created pursuant to a plan approved by the department.

1 17. (New section) The consolidation commission shall submit its  
2 final report and recommendations, together with the action of the  
3 department thereon, to the citizens of the participating municipi-  
4 palities within 9 calendar months from the date of its election.  
5 It shall file with the Secretary of State, the department, the county  
6 clerk and with the municipal clerk of each participating municipal-  
7 ity an original signed copy of any final report containing said  
8 findings and recommendations made by any member of the com-  
9 mission. The municipal clerks shall deliver a copy of any such  
10 report to each member of their respective governing bodies.

11 If the consolidation commission shall have recommended that  
12 the participating municipalities be consolidated into a single new  
13 municipality, the commission, acting as a charter commission, may  
14 recommend the adoption of one of the optional forms of govern-  
15 ment authorized in the "Optional Municipal Charter Law," the  
16 enactment of a special municipal charter or the retention of the  
17 municipal charter of one of the participating municipalities.

1 18. (New section) a. The consolidation commission shall be dis-  
2 charged upon the filing of its report; provided, that if the commis-  
3 sion's recommendations require further procedure on the part of  
4 the governing body or the people of the participating municipalities  
5 pursuant to sections 12 or 21 of this act, the commission shall not  
6 be discharged until the procedures required under those sections  
7 have been finally concluded;

8 b. Whenever a consolidation commission issues an amended  
9 report, such amended report shall supersede the preliminary re-  
10 port and such preliminary report shall cease to have any legal  
11 effect under this act;

12 c. The procedure to be taken under the amended report shall be  
13 governed by the provisions of this act applicable to the final report  
14 of the consolidation commission submitted pursuant to section 17  
15 of this act.

1 19. (New section) a. The consolidation commission may report  
2 and recommend:

3 (1) That the participating municipalities not be consolidated  
4 into a single new municipality; or

5 (2) That a referendum shall be held to submit to the registered  
6 voters of the participating municipalities the proposal that all of  
7 the participating municipalities shall be consolidated into a single  
8 new municipality pursuant to a plan of consolidation.

9 b. If the commission shall have recommended the submission of  
10 a consolidation proposal to the registered voters of the partici-  
11 pating municipalities, the commission, pursuant to its duties and  
12 responsibilities as a charter commission, shall also recommend:

13 (1) The adoption of one of the optional forms of government  
14 authorized in articles 3 through 16 inclusive of the "Optional  
15 Municipal Charter Law;" or

16 (2) That the governing body shall petition the Legislature for  
17 the enactment of a special charter, the text of which shall be ap-  
18 pended to the commission's report pursuant to Article IV, Section  
19 VII, Paragraph 10, of the Constitution of 1947 and to the enabling  
20 legislation enacted thereunder to the extent that such legislation  
21 is not inconsistent herewith; or

22 (3) That the municipal charter of one of the participating mu-  
23 nicipalities should be retained as the charter of the consolidated  
24 municipality.

25 c. If the commission shall have recommended against the con-  
26 solidation of the participating municipalities, it may make alterna-  
27 tive findings and recommendations, in lieu of political consolidation,  
28 concerning the consolidation or regionalization of separate mu-  
29 nicipal functions pursuant to any of the statutes of this State that  
30 authorize and permit joint action, consolidation or regionalization  
31 of municipal services and functions. Such recommendations shall  
32 specify the specific functions or services to be consolidated or  
33 regionalized. The commission shall set forth its proposal for  
34 implementing these recommendations and may provide a schedule  
35 of consolidation which shall specify which functions or services are  
36 to be consolidated or regionalized each year. Should the commis-  
37 sion recommend that functions or services be consolidated or  
38 regionalized on a staged basis, it may further recommend that a

39 consolidation question be reconsidered pursuant to the referendum  
40 provisions of section 22 of this act.

1 20. (New section) The question to be submitted to the registered  
2 voters of each of the participating municipalities pursuant to any  
3 recommendations made under the provisions of section 19 of this  
4 act shall be submitted in the following form or such part thereof  
5 as shall be applicable:

6 Shall (insert the names of the participating municipalities)  
7 be consolidated together into a single new municipality to  
8 be governed under (insert proper alternatives)

9 (the present charter of (insert name of appropriate  
10 municipality))

11 (a special charter to be enacted by the Legislature in  
12 accordance with the recommendations of the consolidation  
13 commission)

14 the (insert name of plan) .....  
15 of the "Optional Municipal Charter Law," providing for  
16 a division of the municipality into (insert number) .....  
17 wards, with (insert number) ..... councilmen, (one  
18 to be elected from each ward and (insert number) .....  
19 to be elected at large)

20 This consolidation proposal has been (Approved—Dis-  
21 approved) by the New Jersey Department of Community  
22 Affairs and (is, is not) eligible for State financial assistance  
23 pursuant to the provisions of the Municipal Consolidation  
24 Act, insofar as funds may be available therefor.

25  For Consolidation

26  Against Consolidation

1 21. (New section) a. If, the consolidation commission shall  
2 recommend the submission of the question set forth in section 20  
3 of this act to the registered voters of the participating munic-  
4 ipalities, it shall be the duty of the municipal clerk of each partici-  
5 pating municipality to cause the question of consolidation or  
6 rejection to be placed upon the ballot during the first 6 months of  
7 the same or next calendar year. The commission may cause the  
8 question to be submitted at a special election occurring not less  
9 than 60 days after the filing of the report, at such time as the  
10 commission's report shall direct. At such election, the question of  
11 consolidating the participating municipalities into a single new  
12 municipality under the form of government recommended shall be  
13 submitted to the voters of each of the participating municipalities  
14 in the same manner as other public questions to be voted upon by

15 the voters of a single municipality. The consolidation commission  
 16 shall frame the question to be placed upon the ballot as provided  
 17 in section 20, and if it deems appropriate, an interpretative state-  
 18 ment to accompany such question.

19 b. The consolidation commission shall also prepare an "official  
 20 abstract" of its report and recommendations and plan of con-  
 21 solidation consisting of a concise statement, which shall be objective  
 22 in content and presentation, and shall be descriptive of the sub-  
 23 stance of the plan. Not less than 20 nor more than 30 days preced-  
 24 ing the date fixed for the election, the consolidation commission  
 25 shall cause the official abstract to be published at least once in a  
 26 newspaper of general circulation in the participating municipi-  
 27 palities, together with notice of:

28 (1) The time, place and purpose of the election;

29 (2) The manner in which copies of the commission's report and  
 30 recommendations may be obtained; and

31 (3) The fact that if the voters favor the consolidation by a  
 32 majority vote in each of the participating municipalities, the con-  
 33 solidation plan shall become binding and legally enforceable  
 34 between such municipalities.

1 22. (New section) No **\*[resolution]\*** *\*ordinance\** may be passed  
 2 and no petition may be filed for the creation of a consolidation  
 3 commission pursuant to sections 4 and 5 of this act while proceed-  
 4 ings are pending under any other petition or **\*[resolution]\***  
 5 *\*ordinance\** filed or passed pursuant to the provisions of the  
 6 "Optional Municipal Charter Law" or any other general law  
 7 relating to a change in the form of government in any of the  
 8 participating municipalities. No **\*[resolution]\*** *\*ordinance\** may  
 9 be passed and no petition may be filed for the creation of a con-  
 10 solidation commission pursuant to the provisions of this act within  
 11 4 years after a referendum shall have been held pursuant to a  
 12 previous **\*[resolution]\*** *\*ordinance\** or petition passed or filed  
 13 pursuant to the provisions of this act in any of the participating  
 14 municipalities but the passage of an ordinance or the filing of a  
 15 petition and the holding of any referendum thereafter under the  
 16 provisions of the "Optional Municipal Charter Law" or other  
 17 general law relating to a change in the form of government in any  
 18 of the participating municipalities, provided such proceedings have  
 19 been completed, shall not preclude the participating municipalities  
 20 from proceeding under the provisions of this act notwithstanding  
 21 the fact that 4 years may not have expired since the completion  
 22 of said proceedings. The provisions of section 1-17 of the  
 23 "Optional Municipal Charter Law" shall not be applicable to a

24 consolidation commission and its recommendations pursuant to  
25 its responsibilities as a charter commission except as expressly  
26 herein provided.

1 23. (New section) The question submitted pursuant to sections  
2 20 and 21 of this act shall be deemed approved and adopted only if  
3 a majority of those voting on the question in each of the participat-  
4 ing municipalities votes in favor of the question. In the case of  
5 a favorable vote by a majority of those voting on the question in  
6 each of the participating municipalities, the question shall be  
7 deemed approved and adopted and shall take effect as provided in  
8 section 24 of this act.

1 24. (New section) Following a favorable majority vote in each  
2 of the participating municipalities, the municipalities shall be  
3 deemed consolidated as of the date provided for and set forth in  
4 the plan of consolidation.

5 a. If the consolidation commission recommended the adoption of  
6 any of the optional plans of government authorized by articles 3  
7 through 16, inclusive, and articles 12A and 12B of the "Optional  
8 Municipal Charter Law," including any of the alternatives con-  
9 tained in section 1-13 of said law, the nomination and election of  
10 the first set of officers in the consolidated municipality shall be  
11 conducted in accordance with the provisions of the "Optional  
12 Municipal Charter Law" and the date of consolidation shall be  
13 deemed to be the date fixed under that law for the officers to take  
14 office. Notwithstanding the provisions of the "Optional Municipal  
15 Charter Law," the consolidation commission may select a municip-  
16 al charter under said law which provides for the holding of  
17 regular municipal elections on the second Tuesday in May and  
18 may further provide that the election of the first set of officers  
19 shall be at the next general election following approval of the plan  
20 of consolidation, with such elected officials taking office on the date  
21 of consolidation. The term of any officers so elected shall be ex-  
22 tended from the date of consolidation through the term of office  
23 provided for in the "Optional Municipal Charter Law" as if said  
24 term had commenced as of July 1 next following as originally  
25 provided for in said law.

26 b. If the consolidation commission shall have recommended the  
27 retention of the charter of one of the participating municipalities,  
28 the date of consolidation shall be the date on which new officers  
29 shall be authorized to take office under the provisions of such  
30 charter, and the date for the election of officers shall be pursuant  
31 to such charter.

32 c. If the consolidation commission shall have recommended a  
 33 special charter the date of consolidation and the provision for elec-  
 34 tion of officers shall be specified in its report.

1 25. (New section) From and after the date of consolidation, as  
 2 set forth in section 24 of this act, the participating municipalities  
 3 shall constitute and be a single municipality under the name, of  
 4 the type and form of government, and subject to the provisions  
 5 set forth in the report and recommendations of the consolidation  
 6 commission. The inhabitants of the territory comprising the con-  
 7 solidated municipality shall thereafter be a body politic and  
 8 corporate in fact and in law under such name.

9 The general laws of the State applying to municipalities of this  
 10 type, form of government and class (if any) shall apply to the  
 11 consolidated municipality created pursuant to this act.

1 26. (New section) From and after the date of consolidation, the  
 2 consolidated municipality shall be vested with and subject to the  
 3 assets, contracts, debts and other obligations of the participating  
 4 municipalities to the extent of and in accordance with the pro-  
 5 visions of the report and recommendations of the consolidation  
 6 commission. The consolidated municipality shall have the power  
 7 to complete any work, service or improvement, to confirm and  
 8 collect previously levied taxes and assessments in the participating  
 9 municipalities, that are incomplete, unconfirmed, or uncollected on  
 10 the date of consolidation. It shall also have the power and shall be  
 11 required to carry out the provisions of the plan of consolidation  
 12 recommended by the consolidation commission not inconsistent  
 13 with this act.

1 27. (New section) Notwithstanding the date of consolidation  
 2 provided for in this act, the new officers elected to govern the con-  
 3 solidated municipality may, not less than 30 days prior to the  
 4 date of consolidation, undertake such actions as may be necessary  
 5 and proper to insure the orderly functioning of government as of  
 6 the date of consolidation, including, but not limited to, the appoint-  
 7 ment and approval, if required, of persons to the various offices,  
 8 positions and employment to be filled in the consolidated munic-  
 9 ipality. Any persons so appointed shall not take office until the date  
 10 of consolidation but shall have access to the office, position, or em-  
 11 ployment he will hold as of that date in order to become familiar  
 12 with the responsibilities thereof.

13 All officers and employees are authorized and directed to co-  
 14 operate fully with persons so appointed and designated in order  
 15 to insure an orderly transition of government. All such appoint-

16 ments shall be officially submitted on the day of consolidation and,  
17 where approval is required and has been previously obtained from  
18 the appropriate body, may be ratified and approved on the same  
19 day notwithstanding any other provision of the law to the contrary.

20 The persons comprising the governing body of the consolidated  
21 municipalities, within the 30-day period prior to the date of con-  
22 solidation, are hereby empowered to meet, appoint or approve  
23 appointments of persons to office to the extent authorized by the  
24 provisions of the municipal charter as herein provided for, and  
25 adopt temporary resolutions. Any temporary resolution adopted  
26 by the governing body elect during said 30-day period, shall not  
27 have force and effect beyond the date of consolidation. Such  
28 temporary resolutions may prohibit any officer or employee of any  
29 participating municipality from taking such action or entering into  
30 such agreement or contract as the governing body elect shall direct  
31 in the temporary resolution not be taken or entered into. Tempo-  
32 rary resolutions may also be adopted requesting officers or em-  
33 ployees of any participating municipality to take affirmative action  
34 but such temporary resolutions shall not be binding upon such  
35 officers and employees.

1 28. (New section) Immediately upon the installation of the new  
2 municipal government, the officers having custody of the funds of  
3 the participating municipalities shall deliver all funds in their  
4 possession into the custody of the proper fiscal officer of the con-  
5 solidated municipality, who shall acknowledge delivery by giving  
6 his receipt therefor.

7 The mayor or other chief executive officer of the consolidated  
8 municipality shall supervise and direct the transfer of all personal  
9 property, books, papers, vouchers, or other documents belonging  
10 to the participating municipalities, to the proper officers of the new  
11 government. He shall cause a complete inventory to be made of  
12 all assets, real and personal, received by the new government.

13 The department shall cause an audit and settlement of officer's  
14 accounts to be made forthwith. The official bonds of the officers and  
15 officials shall continue in force and effect until the audit and settle-  
16 ment have been completed.

17 Whenever a plan of consolidation provides that property within  
18 a participating municipality or school district therein, shall remain  
19 subject to separate taxation, after consolidation, for the payment  
20 of interest and principal on any preexisting indebtedness, such  
21 property shall be taxed and assessed therefor at the same time  
22 and in the same manner as provided by law for general taxation

23 of real property for the support of the municipality or school  
24 district, as the case may be.

1 29. (New section) The terms of office and appointments of all  
2 local officers and employees elected or appointed by, in, or for the  
3 participating municipalities, and by, in, or for any special district  
4 or public authority functioning within the boundaries of the  
5 participating municipality or municipalities shall, except as other-  
6 wise provided in this act, or where applicable as provided in the  
7 "Optional Municipal Charter Law," terminate on the date of  
8 consolidation.

1 30. (New section) No suit, action, or proceeding pending in any  
2 court or before any board or department wherein one of the  
3 participating municipalities is a party, or in which it is interested,  
4 or by the determination of which it might be affected, shall abate  
5 by reason of the consolidation, but the consolidated municipality  
6 shall be substituted in the place and stead of such participating  
7 municipality, and the suit, action, or proceeding shall continue as  
8 if the consolidation had not taken place, and in accordance with the  
9 applicable laws, ordinances and regulations of the constituent  
10 municipalities.

1 31. (New section) During the period between the date of a  
2 favorable referendum, held pursuant to this act, and the date of  
3 consolidation, bonds or other obligations shall be authorized and  
4 issued, and contractual duties incurred by any participating  
5 municipality only to the extent permitted by the consolidation plan.

6 Bonds of the participating municipalities which have been sold,  
7 or in anticipation of the issuance of which temporary notes have  
8 been issued prior to the date of consolidation, may be issued and  
9 delivered or permanent bonds issued, as the case may be, by the  
10 consolidated municipality, after the date of consolidation, without  
11 further authorization and notwithstanding any limitations hereto  
12 or hereafter imposed by law on the form, amount or terms of such  
13 indebtedness. The issuance of any other bonds or obligations by  
14 the consolidated municipality shall require new authorization after  
15 the date of consolidation, pursuant to applicable provisions of law  
16 at the time of authorization.

1 32. (New section) Permits, licenses and franchises granted to  
2 any place or person by any of the participating municipalities  
3 shall, subject to their conditions, remain in full force and effect  
4 and be recognized by the consolidated municipality until the  
5 expiration of the term for which they were granted. But this sec-  
6 tion shall not be construed to prevent the revocation of any such

7 permit or license before its expiration, in the manner provided by  
8 law.

1 33. (New section) a. From and after the date of consolidation,  
2 except as provided in subsection b. hereof, the school districts of  
3 the consolidated municipalities shall be a single school district  
4 which shall be administered pursuant to the provisions of Title  
5 18A of the New Jersey Statutes, subject to the following pro-  
6 visions:

7 (1) If the school districts of the participating municipalities are  
8 all classified as either a type I or type II district, such classification  
9 shall be retained.

10 (2) If the school districts of the participating municipalities are  
11 classified as both type I and type II districts, the classification of  
12 the single school districts within the consolidated municipality  
13 shall be specified in the plan of consolidation.

14 b. If any participating municipality is a member of a regional  
15 school district which is not coextensive in territory and jurisdiction  
16 with the participating municipalities comprising the consolidated  
17 municipality, the plan of consolidation shall establish, subject to  
18 the approval of the State Commissioner of Education, whether the  
19 consolidated municipality shall constitute a single school district  
20 or shall be divided among two or more school districts and shall  
21 provide for its financing of all school costs.

1 34. (New section) All principals, teachers, and employees in the  
2 public schools of the participating municipalities, or of any regional  
3 school district or portion thereof abolished by the consolidation,  
4 shall, when the consolidation becomes effective, be principals,  
5 teachers and employees respectively in the public schools of the  
6 school district established pursuant to section 33 of this act.

7 Except as otherwise provided in the consolidation plan of the  
8 consolidation commission, all board members of school districts of  
9 the participating municipalities shall be board members of any new  
10 school district established pursuant to section 33 of this act.

11 All officers and employees of the participating municipalities  
12 whose employment is continued following consolidation shall be  
13 employees of the consolidated municipality. They shall be subject  
14 to the orders and control of the mayor or other chief executive  
15 officer of the consolidated municipality and such other officers of  
16 the consolidated municipality as he shall authorize or as shall be  
17 authorized under the charter setting forth the form of government  
18 for the consolidated municipality.

19 The tenure and pension rights under State laws of officers and  
20 employees of the participating municipalities, or of any public  
21 authority thereof, shall not be affected by the consolidation of  
22 the participating municipalities, but the provisions of this section  
23 shall not preclude the revision, consolidation or elimination of  
24 offices and positions as may be required by the consolidation, all  
25 of which shall be carried out in conformity with the provisions of  
26 the consolidation plan adopted by the consolidation commission.

1 35. (New section) Within 3 months from the date of consolida-  
2 tion, the governing body of the consolidated municipality shall, in  
3 accordance with the provisions of this section, file an application  
4 with the department for a joint service program grant to be paid  
5 out of the appropriations made pursuant to the Interlocal Services  
6 Aid Act. The application shall include a 2-year schedule of  
7 anticipated expenses and such other information as may be re-  
8 quired by the commissioner. State financial assistance shall be,  
9 insofar as adequate funds are available therefor, rendered for not  
10 more than 2 successive years for any extraordinary administrative  
11 and operating expenses incurred, for joint services compensable  
12 under said act, in the first 2 years of the consolidation by the  
13 applicant municipality that would not have otherwise been incurred  
14 if the consolidation had not taken place; except that, such expenses  
15 shall not include costs which are considered capital costs as set  
16 forth in N. J. S. 40A:2-22.

17 The amount of the grant of assistance made pursuant to this  
18 section shall not exceed, for any 12-month period, \$150,000.00 or,  
19 one-fourth of the appropriation made pursuant to the Interlocal  
20 Services Aid Act in the fiscal year in which said grant is to be made,  
21 whichever is the lesser amount. Notwithstanding that the total  
22 annual grant to any consolidated municipality may exceed the  
23 aforesaid limitations, the commissioner may, at the end of the fiscal  
24 year, allocate to said municipality any unexpended and uncom-  
25 mitted moneys from the sums appropriated under the Interlocal  
26 Services Aid Act in order to provide such additional financial  
27 assistance for which the consolidated municipality would have been  
28 eligible if the said limitations were not in effect.

29 Any municipality having consolidated pursuant to a consolida-  
30 tion plan approved by the department shall have first claim on any  
31 moneys appropriated under the Interlocal Services Aid Act which  
32 have not been committed at the time of application. The commis-  
33 sioner shall reserve the necessary moneys for meeting the certified  
34 expenses of any such consolidated municipality. Reservation of

35 moneys shall also be made for a consolidation in accordance with  
 36 an approved plan at any time after the consolidation plan has been  
 37 approved by the electorate and prior to the filing of an appropriate  
 38 application, provided that a written request for such reservation  
 39 is made by the concerned governing body or bodies.

40 Within 30 days of the receipt of an application from the con-  
 41 solidated municipality, the commissioner shall certify to the State  
 42 Treasurer the amount of financial assistance to be provided here-  
 43 under to the consolidated municipality, and said amount shall  
 44 thereupon be paid to the consolidated municipality. Payments  
 45 of aid moneys shall be paid on a quarterly basis for the 2-year  
 46 period by the State Treasurer in the manner set forth in section 8  
 47 (C. 40:8B-8) of the Interlocal Services Aid Act, and all such  
 48 moneys expended by the consolidated municipality shall be certified  
 49 by the commissioner in accordance with paragraph (3) of section 7  
 50 (C. 40:8B-7d(3)) of said act.

1 36. (New section) a. "Commissioner" shall mean the Commis-  
 2 sioner of Community Affairs.

3 b. "Consolidated municipality" shall mean the single new  
 4 municipality that results from an affirmative consolidation effort  
 5 pursuant to the provisions of this act.

6 c. "Consolidation commission," or "commission," shall mean a  
 7 joint municipal consolidation commission created pursuant to the  
 8 provisions of section 9 of this act.

9 d. "Department" shall mean the Department of Community  
 10 Affairs.

11 e. "Eligible consolidated municipality" shall mean a munici-  
 12 pality consolidated pursuant to the provisions of this act under a  
 13 plan approved by the department.

14 f. "Participating municipalities" shall mean any two or more  
 15 municipalities involved in a consolidation effort or which have  
 16 been consolidated together into a consolidated municipality pur-  
 17 suant to the provisions of this act.

1 37. Section 3 of P. L. 1973, c. 289 (C. 40:8B-3) is amended to  
 2 read as follows:

3 3. The funds appropriated pursuant to this act shall be made  
 4 available to qualified applicants for the following purposes:

5 a. To provide a service which, based on the evidence submitted  
 6 pursuant to section 6 of this act, can only be provided adequately  
 7 on a joint basis;

8 b. To provide a service which is currently not being provided at  
 9 all or which, based on the evidence submitted pursuant to section 6

10 of this act, is being provided at a level substantially below the  
11 minimum needs of the recipients;

12 c. To promote consolidation of existing service systems to  
13 achieve efficiency and economy[.];

14 d. *To promote municipal consolidation pursuant to the Municipal*  
15 *Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

16 *Subject to the availability of funds and the limitations of sections*  
17 *16 and 35 (C. . . . .) of the Municipal Consolidation Act,*  
18 *reservation of funds shall be made for any request or application*  
19 *filed pursuant to said sections and such request or application*  
20 *shall have a first claim on such funds which have not been expended*  
21 *or committed at the time of the receipt by the commissioner of the*  
22 *request or application.*

1 38. Section 4 of P. L. 1973, c. 289 (C. 40:8B-4) is amended to  
2 read as follows:

3 4. a. Any local unit may apply for a grant under this act to  
4 provide any or all of the services specified in section 5 of this act  
5 jointly with any other local unit or units, *or for the consolidation*  
6 *of two or more municipalities.* A quasi-governmental or para-  
7 governmental agency may also apply to participate in a joint  
8 program and receive aid under this act; but such application shall  
9 be made through the local unit or units served by or supporting  
10 such agency, and all grants to such agency shall be made through  
11 such local unit or units.

12 b. The local units applying for aid may provide the service *or*  
13 *services* in any manner authorized by the "Interlocal Services Act"  
14 (now pending before the Legislature as Senate No. 306), the "Con-  
15 solidated Municipal Services Act" (P. L. 1952, c. 72; C. 40:48B-1  
16 et seq.), or in any other form authorized by law, *or pursuant to the*  
17 *"Municipal Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

1 39. Section 6 of P. L. 1973, c. 289 (C. 40:8B-6) is amended to  
2 read as follows:

3 6. a. No grant under this act shall be made to any joint program  
4 which has not submitted an approved plan of operations based on  
5 a feasibility study of the project conducted pursuant to this section.  
6 *A 2-year grant may, however, be extended to any consolidated*  
7 *municipality filing an application pursuant to section 35 of the*  
8 *Municipal Consolidation Act, P. L. . . . ., c. . . . . (C. . . . .).*

9 Such feasibility study shall be conducted by or under the super-  
10 vision of the Department of Community Affairs, either (1) by the  
11 Department of Community Affairs or by an agency or agencies  
12 of the State of New Jersey approved by the Commissioner of

13 Community Affairs, or (2) by a qualified third party approved  
14 by the Department of Community Affairs and by the principal  
15 executive officer of any principal executive department of State  
16 Government whose approval of such feasibility study is required  
17 by subsection b. of this section and by a majority of two-thirds or  
18 more of the applicant local units. Such plan of operations shall  
19 constitute the final element of the feasibility study when approved  
20 by the Commissioner of Community Affairs and by any and every  
21 principal executive officer of a principal executive department of  
22 State Government which exercises jurisdiction over the perform-  
23 ance of the services to be provided jointly under the proposed  
24 program.

25 b. Any local units eligible for aid as defined in sections 3 and 4 of  
26 this act shall be eligible to apply for funds to conduct a feasibility  
27 study under the auspices of the Department of Community Affairs.  
28 Application for such shall include: the names of the proposed  
29 participants; certified copies of a resolution or substantially similar  
30 resolutions passed by the governing bodies of the participating  
31 units authorizing such application; the services for which joint  
32 programs are contemplated, and the expected benefits of such a  
33 joint program. The application shall be in such form and shall also  
34 contain such other information as may be required by the Commis-  
35 sioner of Community Affairs.

36 All grants for feasibility studies shall require the joint approval  
37 of the Commissioner of Community Affairs and the principal execu-  
38 tive officer of any and every principal executive department of State  
39 Government which exercises jurisdiction over the performance of  
40 the services to be provided jointly under the proposed program.

41 c. The feasibility study shall include such detailed surveys of  
42 present service standards in the area to be served by the joint  
43 program as may be required to establish substantial evidence that  
44 a joint program would either enable provision of a needed service  
45 which could not otherwise be provided, or remedy existing levels  
46 of service provision, or otherwise produce better services at rela-  
47 tively lower unit costs or with more efficient administration, and  
48 that such joint programs would not adversely affect neighboring  
49 local units, and that no neighboring local unit which might benefit  
50 is being excluded from the program; provided that any such local  
51 unit claiming exclusion had expressed a desire to be included in  
52 the feasibility study by giving written notice of such desire to the  
53 Commissioner of Community Affairs within 30 days from the date  
54 on which the commissioner made public announcement of the  
55 feasibility study grant.

56 d. Within 1 month of the completion of the feasibility study, the  
57 Department of Community Affairs shall hold a public hearing in  
58 each local unit to be included in the proposed joint program. After  
59 such hearings and upon submission and approval of a plan based  
60 thereon as provided in subsection a. of this section, the joint pro-  
61 gram shall be eligible for aid under this act. No joint program  
62 shall receive aid unless the governing bodies of all participating  
63 local units have passed identically worded resolutions ratifying the  
64 grant contract between the State and the participating local units.

65 If the feasibility study shall contain recommendations for estab-  
66 lishing a joint service program, within 6 months from the date  
67 of the last public hearing on the feasibility study, the governing  
68 body of each local unit which participated in the study shall  
69 communicate in writing to the Commissioner of Community Affairs  
70 stating their intentions of implementing or their specific and  
71 detailed objections to implementing each recommendation made  
72 in the feasibility study for establishing a joint service plan.

73 e. The Commissioner of Community Affairs shall, upon formal  
74 request by the governing body or chief executive officer of any local  
75 unit, cause to be made a preliminary survey as to the eligibility of  
76 such local unit and any other local units for State aid under this  
77 act with respect to any joint arrangements for provision of services  
78 specified or suggested in such request. Such preliminary survey  
79 shall be of sufficient scope and detail to enable the commissioner to  
80 advise all local units concerned in the projected joint arrangement  
81 whether the circumstances warrant detailed feasibility study  
82 pursuant to subsections a., b., c. and d. of this section; and the  
83 commissioner shall transmit formal notice of the findings and con-  
84 clusions of such preliminary survey to all the said local units  
85 concerned.

1 40. Chapter 38 of Title 19 of the Revised Statutes and the "Local  
2 Units Permissive Consolidation Act (1939)," P. L. 1939, c. 343,  
3 approved October 3, 1939 (C. 40:43-66.1 et seq.) and all amend-  
4 ments and supplements thereto are hereby repealed.

1 41. This act shall take effect immediately.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO  
COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 580**

—◆—  
**STATE OF NEW JERSEY**  
—◆—

DATED: NOVEMBER 28, 1977

The purpose of this permissive legislation is to provide a mechanism to be used by two or more municipalities wishing to study the feasibility of consolidating, and to provide the necessary powers to effectuate that consolidation, if deemed desirable. The bill leaves to the ultimate determination of the voters of the affected municipalities, both whether or not consolidation shall be studied, and whether or not the municipalities shall be consolidated. Only contiguous municipalities located in the same county may consolidate.

The existing law, the "Local Units Permissive Consolidation Act (1939)", is cumbersome and antiquated, and provides no State financial aid to municipalities seeking to consolidate.

FORMING THE COMMISSION: A consolidation study commission could be proposed either by municipal ordinance or by voters' petition. If petitions or ordinances, or any combination thereof, are received by the county clerk from each municipality named therein within 1 year after the first ordinance or petition filed, then the question of forming such a commission would be put to the voters of those municipalities. The commission would be formed only if a majority of those voting in each municipality vote in the affirmative. At the same time the voters would vote for the members of the commission from their municipality, as nominated by petition, to serve if the commission is formed. The question shall be submitted on the date for the next general or municipal election.

The consolidation commission shall consist of 5 members from each participating municipality. All actions of the commission require approval by a majority of each municipal delegation. The commission may accept State and Federal grants and private contributions. The commission shall adopt a budget and submit it to the governing bodies of the participating municipalities for their review. Those municipalities shall on a pro-rata basis shoulder any amount in the budget not covered by other revenues, and may appropriate their share as an

emergency appropriation. Commission members serve without compensation but are reimbursed for expenses.

**THE COMMISSION REPORT:** Within 5 months, the Department of Community Affairs shall furnish the commission with an objective study of the fiscal aspects of the proposed consolidation. Within 6 months, the commission shall make a preliminary report to the Department of Community Affairs and to the governing bodies of the participating municipalities. The governing bodies may submit written comments thereon within 30 days. The Commissioner of Community Affairs shall review the preliminary report and indicate whether or not it accurately reflects the department's fiscal findings. The commission may amend the report if it deems appropriate, and shall submit its final report to the department. No later than 8 months, the Commissioner shall provide the commission with a brief and concise evaluative statement on the fiscal feasibility of consolidation.

The commission shall publish its final report within 9 months, and shall include: any dissenting statement of any member; the department's fiscal findings; the commissioner's evaluative statement; and, any written comments from the governing bodies. If consolidation is proposed, the commission shall publish an official abstract of its report twice in a newspaper.

*In its final report the commission may recommend:*

1. That the question of consolidation be submitted to the voters of the participating municipalities. If so, it shall also recommend one of the following plans or forms of government for the consolidated municipality: one of the plans and forms under the "Optional Municipal Charter Law," the "commission form of government law," or the "municipal manager form of government law;" a special charter to be granted by the Legislature upon petition; or, one of those in effect in one of the participating municipalities.

2. That the municipalities not be consolidated. In which case, it may recommend to the governing bodies the regionalization of specific services or functions, or the staged regionalization of services or functions with reconsideration of consolidation in the future.

**CONSOLIDATION:** The question of consolidation would be put to the voters on the date for the next general or municipal election. Approval would require an affirmative vote of a majority of those voting in each participating municipality. If consolidation is rejected, the question could not be put to voters again for 4 years. If the question is approved, officers for the consolidated municipality shall be elected in accordance with the plan or form of government adopted. The official date of

consolidation is the date such officers take office in accordance with such plan or form of government.

Provisions for the initial organization of the consolidated municipality included are:

1. That within the first 20 days of consolidation, the governing body may adopt by resolution, rather than ordinance, any ordinances previously in effect in the participating municipalities, and make provision for officers and organization. Such temporary resolutions expire 180 days after consolidation, and are exempted from regular publication requirements and from initiative and referendum; but notice thereof shall be published after enactment;

2. The termination of the offices and appointments of all municipal officers and employees on the date of consolidation, including members appointed by the participating municipalities to any special district or public authority;

3. The consolidation of the school districts of the respective municipalities to the degree possible, depending on the type or types of school districts operating therein; and,

4. The protection of the tenure, seniority and pension rights of the officers and employees of the participating municipalities.

**FINANCIAL AID:** The bill provides for State financial assistance, subject to availability, at two stages: at the study stage to the study commission, for up to 75% of the cost of studies conducted by the commission; and, after consolidation to the new municipality, for up to \$150,000.00 of costs incurred in consolidation. Municipalities requiring assistance under this act would have first claim on the funds appropriated under the "Interlocal Services Aid Act."

974.901  
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FROM THE OFFICE OF THE GOVERNOR

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FOR FURTHER INFORMATION

MARCH 1, 1978

ANNE BURNS

MAR 28 1978

Acting Governor Joseph P. Merlino today signed into law S-580 known as the "Municipal Consolidation Act."

185 W. State Street  
Trenton, N. J.

The bill was sponsored by former Senator Anne C. Martindell (D-Mercer).

The legislation authorizes adjoining municipalities to establish joint municipal study commissions with powers to study and make recommendations regarding the consolidation of municipalities.

"This legislation opens the door to more effective and efficient government," Acting Governor Merlino said. "It provides a needed mechanism for consolidating existing services and eliminating costly duplication."

The bill permits two or more municipalities by petition of the electorate or by resolution of the governing body to hold a referendum on the question of creating a consolidation study commission. The commission would consist of five members from each participating municipality who would be selected at the time of the balloting on the question. If the question was placed on the ballot by petition, all five members will be elected. If the question was placed on the ballot by resolution, three members will be elected and two will be appointed by their respective governing bodies. The commissioners will serve without pay but may be reimbursed for expenses.

The bill also calls for a representative from the Department of Community Affairs to participate in all meetings of the commission. The representative may not be a resident of any of the participating municipalities. All commission meetings and hearings will be subject to the "Open Public Meetings Act." The commissions are given full subpoena power and are required to prepare budgets which must be approved by all governing bodies within 30 days of its submission.

A preliminary report and recommendation must be made to the Commissioner of the Department of Community Affairs within six months of the election of the commission. The DCA Commissioner must evaluate the "fiscal feasibility" of the proposed consolidation

within eight months of the commission's elections and the commission is required to file its final report within nine months of its election.

If the commission recommends consolidation, the legislation contains requirements regarding public notice of the time, place and purpose of the public vote on the proposal as well as for publication of the final report and the DCA evaluation statement. The proposal must receive a majority vote in each municipality.

If the recommendation is against consolidation, the commission terminates on the date of filing its report. If the voters fail to approve a consolidation proposal, the commission terminates on the date of the election. If the consolidation proposal is approved, the commission terminates 180 days following the date of consolidation or the adoption of permanent ordinances and acts as an advisory body during the implementation of the consolidation.

The legislation also gives the commission other options. They may recommend against consolidation, yet at the same time recommend the consolidation or regionalization of separate municipal functions. The bill provides a schedule and method for consolidation such functions as election of new officers, drawing new boundaries, transfer of funds, and auditing of accounts and consolidating school districts.

\* \* \*