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"More work to be done in city, Corzine says," The Press, 9-17-07, pA10

"State takeover of Camden extended," The Record, 9-17-07, pA03

"Camden control gets extension," Courier News, 9-17-07, p\_\_\_\_

"State control of Camden extended for five years," The Star Ledger, 9-17-07, p. 20

"Corzine extends takeover of Camden government," Burlington County Times, 9-17-07, p\_\_\_\_

"Davis to lead N.J. takeover of Camden," Courier-Post, 9-17-07, p\_\_\_\_

IS 5/14/08

P.L. 2007, CHAPTER 176, *approved September 16, 2007*  
Senate, No. 3006

1 AN ACT concerning urban revitalization and amending and  
2 supplementing P.L.2002, c.43.

3

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

6

7 1. (New section) The Legislature finds and declares:

8 a. The “Municipal Rehabilitation and Economic Recovery  
9 Act,” P.L.2002, c.43 (C.52:27BBB-1 et al.), provides for the  
10 appointment of a chief operating officer in a qualified municipality  
11 for a five-year period, referred to in that law as the rehabilitation  
12 term;

13 b. As of the effective date of P.L. , c. (C. ) (pending  
14 before the Legislature as this bill), that 2002 act has been  
15 implemented in one municipality in the State;

16 c. The fourth-year report of the chief operating officer  
17 appointed in that municipality, required pursuant to section 8 of  
18 P.L.2002, c.43 (C.52:27BBB-8), recommended an extension of the  
19 rehabilitation term to allow for the implementation of the reforms  
20 anticipated by P.L.2002, c.43; and

21 d. Given the detailed assessment and recommendation in that  
22 fourth-year report, it is apparent that under certain circumstances a  
23 10-year rehabilitation term is a more realistic period within which  
24 government reform may be effectuated in a qualified municipality.

25

26 2. Section 6 of P.L.2002, c.43 (C.52:27BBB-6) is amended to  
27 read as follows:

28 6. a. Upon the appointment of a chief operating officer  
29 pursuant to section 7 of P.L.2002, c.43 (C.52:27BBB-7), a qualified  
30 municipality shall be under rehabilitation and economic recovery.  
31 This period shall begin with the assumption of job responsibilities  
32 by the chief operating officer pursuant to this section and terminate  
33 five years following the end of the term of the chief operating  
34 officer. The period corresponding with the term of the chief  
35 operating officer shall be referred to hereinafter as the rehabilitation  
36 term. The period commencing with the expiration of the term of the  
37 chief operating officer and terminating five years thereafter shall be  
38 referred to hereinafter as the economic recovery term.

39 b. During the economic recovery term, the mayor shall exercise  
40 those powers delegated to the mayor pursuant to the form of  
41 government, the charter and the administrative code of the

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

Matter underlined thus is new matter.

1 municipality, and those powers delegated to the mayor under  
2 general law. In addition, during the economic recovery term, the  
3 mayor shall retain the power to veto the minutes of any independent  
4 board or authority, including, but not limited to, the housing  
5 authority, parking authority, redevelopment authority, planning  
6 board and board of adjustment.

7 While the municipality is under rehabilitation and economic  
8 recovery, the mayor shall retain the power to make those  
9 appointments to municipal authorities, boards or commissions, as  
10 the case may be, which is otherwise allocated to the mayor pursuant  
11 to law.

12 The mayor may retain staff for the purpose of advising the mayor  
13 and aiding in the performance of constituent services.

14 c. Upon the assumption of job responsibilities by the chief  
15 operating officer, the financial review board created pursuant to  
16 section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the  
17 finances of the municipality shall cease to function and the  
18 municipality shall cease to be under supervision pursuant to Article  
19 4 of P.L.1947, c.151 (C.52:27BB-54 et seq.).

20 All outstanding debts or obligations incurred by a qualified  
21 municipality or the New Jersey Housing and Mortgage Finance  
22 Agency established pursuant to section 4 of the "New Jersey  
23 Housing and Mortgage Finance Agency Law of 1983," P.L.1983,  
24 c.530 (C.55:14K-4) and secured by a right of first refusal on  
25 municipally-owned property as of 10 days following a  
26 determination by the commissioner that the municipality fulfills the  
27 definition of a qualified municipality pursuant to section 4 of  
28 P.L.2002, c.43 (C.52:27BBB-4), with any subsidiary of that agency  
29 with jurisdiction in a qualified municipality, other than those debts  
30 or obligations represented by bonds or other negotiable instruments,  
31 are forgiven.

32 Notwithstanding the termination of the financial review board  
33 and supervision, all memorandums of understanding entered into by  
34 the municipality as a condition of receiving assistance under  
35 P.L.1987, c.75 (C.52:27D-118.24 et seq.) that require the  
36 municipality to implement any government, administrative,  
37 operational efficiency or oversight measures necessary for the fiscal  
38 recovery of the municipality as recommended by the director and  
39 approved by the Local Finance Board shall continue to have full  
40 force and effect.

41 During the rehabilitation term, the chief operating officer shall  
42 be responsible for entering into any memorandum of understanding  
43 on behalf of the qualified municipality that is required as a  
44 condition of receiving assistance under P.L.1987, c.75 (C.52:27D-  
45 118.24 et seq.), or any other law; provided, however, that those  
46 memoranda of understanding shall be consistent with the provisions  
47 of P.L.2002, c.43 (C.52:27BBB-1 et al.) and P.L. , c. (C. )  
48 (pending before the Legislature as this bill), and the powers of the

1 chief operating officer granted pursuant thereto. Any such  
2 memoranda of understanding shall be executed between the chief  
3 operating officer and the Director of the Division of Local  
4 Government Services in the Department of Community Affairs.  
5 Whenever the powers and duties of the chief operating officer have  
6 devolved upon the director pursuant to subsection b. of section 7 of  
7 P.L.2002, c.43 (C.52:27BBB-7), the memorandum of understanding  
8 shall be executed between the director, on behalf of the qualified  
9 municipality, and the State Treasurer, on behalf of the State.  
10 (cf: P.L.2002, c.108, s.5)

11  
12 3. Section 7 of P.L.2002, c.43 (C.52:27BBB-7) is amended to  
13 read as follows:

14 7. a. Upon receiving notification by the Commissioner of  
15 Community Affairs pursuant to section 4 of P.L.2002, c.43  
16 (C.52:27BBB-4), the Governor shall appoint the chief operating  
17 officer in consultation with the mayor and the governing body. The  
18 chief operating officer shall serve at the pleasure of the Governor.  
19 The chief operating officer shall be qualified by training and  
20 experience for the position and shall have at least 10 years of  
21 experience in the management or supervision of government  
22 activities, three years of which may be substituted by an advanced  
23 degree in business, law, or public administration.

24 b. Pending the appointment of a chief operating officer or, in  
25 the event of the death, resignation, removal or inability of the chief  
26 operating officer to discharge the duties of that office, the functions,  
27 powers and duties of the chief operating officer shall devolve upon  
28 the director, for the time being, until a chief operating officer is  
29 appointed or is able to discharge the duties of that office. In the  
30 event that the chief operating officer does not serve out the chief  
31 operating officer's term of office for any reason, a successor shall  
32 be chosen by the Governor.

33 c. The term of the chief operating officer shall terminate five  
34 years following the assumption of duties on the part of the initial  
35 chief operating officer first appointed pursuant to P.L.2002, c.43  
36 (C.52:27BBB-1 et al.), or 10 years thereafter if the fourth-year  
37 report required by section 8 of P.L.2002, c.43 (C.52:27BBB-8)  
38 recommends an extension of that term, provided that the extension  
39 is approved by the Commissioner of Community Affairs. The chief  
40 operating officer may be hired as a State employee in the  
41 unclassified service of Title 11A, Civil Service, of the New Jersey  
42 Statutes or may be hired under contract, as provided hereunder.  
43 Notwithstanding any other provision of law, no person so appointed  
44 shall acquire tenure.

45 If the chief operating officer is hired under contract, the person  
46 hired shall meet the qualifications set forth herein, and it shall be  
47 clear from the contract that the position is full-time and that the job  
48 site shall be at the principal offices of the municipality. If, for any

1 reason, a person engaged under contract is unable to fulfill the job  
2 responsibilities of chief operating officer, the selection process shall  
3 be recommended in accordance with the provisions of this section.

4 If the chief operating officer is hired under contract, the contract  
5 shall be available for public inspection in the office of the  
6 municipal clerk.

7 d. Subject to the approval of the **[commissioner]** State  
8 Treasurer, the salary, benefits and costs of the chief operating  
9 officer shall be fixed by the board and adjusted from time to time as  
10 the board deems appropriate. The salary level and benefits shall be  
11 comparable to that of the director of any public authority or agency  
12 with jurisdiction in the qualified municipality. The salary, benefits,  
13 and costs of the chief operating officer shall be an expense of the  
14 State and paid through the Department of the Treasury.

15 (cf: P.L.2002, c.108, s.6)

16

17 4. Section 8 of P.L.2002, c.43 (C.52:27BBB-8) is amended to  
18 read as follows:

19 8. a. At the end of four years following the commencement of  
20 duties by the chief operating officer and at the end of eight years, in  
21 the event of an extension of the term of the chief operating officer,  
22 as provided in subsection c. of section 6 of P.L.2002, c.43  
23 (C.52:27BBB-6) (as amended by section 3 of this bill), the chief  
24 operating officer or his or her successor shall submit a report to the  
25 Governor, each member of the State Economic Recovery Board,  
26 each member of the Senate and General Assembly, each member of  
27 the county board of freeholders in the county in which the qualified  
28 municipality is situated, each member of the regional impact  
29 council, the mayor, and each member of the governing body of the  
30 qualified municipality. The report shall evaluate progress made in  
31 rehabilitating the qualified municipality and the status of economic  
32 recovery efforts. The report shall include an enumeration of any  
33 problems or hurdles encountered in rehabilitation and economic  
34 recovery and, where applicable, recommendations for any  
35 amendments to State law which would promote and encourage  
36 rehabilitation and economic recovery. If the chief operating officer  
37 anticipates that the rehabilitation term will be insufficient to achieve  
38 rehabilitation goals, the chief operating officer shall include in the  
39 report a detailed analysis of the causes for the municipality's  
40 inability to reestablish local control and an assessment of the  
41 amount of time necessary for the continuation of the period of the  
42 rehabilitation term.

43 In addition to the foregoing, the report shall include detailed  
44 information as to how those funds appropriated pursuant to  
45 P.L.2002, c.43 (C.52:27BBB-1 et al.) are being spent and how those  
46 expenditures are serving to promote the economic revitalization of  
47 the qualified municipality.

1       b. Within 30 days of receipt of **the** each report by members  
2 of the Legislature, a hearing shall be held by the Senate Community  
3 and Urban Affairs Committee and the Assembly Housing and Local  
4 Government Committee, or their successors, to provide an  
5 opportunity for public comment and discussion.

6 (cf: P.L.2002, c.43, s.8)

7  
8       5. Section 9 of P.L.2002, c.43 (C.52:27BBB-9) is amended to  
9 read as follows:

10       9. a. Upon the appointment of the chief operating officer  
11 pursuant to subsection a. of section 7 of P.L.2002, c.43  
12 (C.52:27BBB-7), all the functions, powers and duties heretofore or  
13 hereafter assigned by any statute, regulation, ordinance, resolution,  
14 charter or contract for municipal operations, municipal organization  
15 and reorganization, development and implementation of workforce  
16 training programs, and the hiring and firing of department heads,  
17 managers and supervisory employees shall be reallocated to the  
18 chief operating officer. The chief operating officer shall exercise  
19 those functions, powers and duties in consultation with the mayor as  
20 are hereinafter provided.

21       b. Except as otherwise provided in P.L.2002, c.43  
22 (C.52:27BBB-1 et al.), the chief operating officer shall have the  
23 power to perform all acts and do all things consistent with law  
24 necessary for the proper conduct, maintenance, rehabilitation and  
25 supervision of the qualified municipality. The chief operating  
26 officer may propose ordinances, resolutions, rules, policies and  
27 guidelines, not inconsistent with law, for the proper conduct,  
28 maintenance and supervision of the municipality.

29       Ordinances and resolutions shall be adopted or amended as  
30 provided by law except that the chief operating officer shall  
31 exercise the functions, powers and duties of the mayor.

32       A proposal introduced by the chief operating officer shall be  
33 deemed approved if the mayor or governing body fails to act upon  
34 the proposal within 45 days following the chief operating officer's  
35 submission of the proposal to either the mayor or the governing  
36 body, or both, as appropriate. **Failure of** Disapproval by the  
37 mayor or governing body **to act upon or approve** of any proposal  
38 introduced by the chief operating officer shall constitute an impasse  
39 and shall be subject to the dispute resolution procedures set forth in  
40 section 5 of P.L.2002, c.43 (C.52:27BBB-5).

41       c. Notwithstanding the provisions of the "Long Term Tax  
42 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), the chief  
43 operating officer may negotiate financial agreements and otherwise  
44 exercise the powers of the governing body pursuant thereto,  
45 including making available municipal land in order to facilitate a  
46 project pursuant to section 17 of P.L.1991, c.431 (C.40A:20-17).  
47 Any such agreements negotiated by the chief operating officer shall

1 be presented to the governing body for the information of the  
2 members of the governing body.

3 d. Notwithstanding any provisions of P.L.2001, c.310 to the  
4 contrary, the chief operating officer may, in consultation with the  
5 mayor and governing body, negotiate bond financing pursuant to  
6 the "Redevelopment Area Bond Financing Law," sections 1 through  
7 10 of P.L.2001, c.310 (C.40A:12A-64 through 73) and revenue  
8 allocation financing pursuant to the "Revenue Allocation District  
9 Financing Act," sections 11 through 41 of P.L.2001, c.310  
10 (C.52:27D-459 through 489).

11 e. The functions, powers and duties reallocated to the chief  
12 operating officer pursuant to this section shall include, but not be  
13 limited to those powers allocated to the mayor which are found in  
14 the charter and administrative code of the municipality, Titles 40  
15 and 40A generally and specifically in the "Local Bond Law,"  
16 N.J.S.40A:2-1 et seq., the "Local Budget Law," N.J.S.40A:4-1 et  
17 seq., the "Local Fiscal Affairs Law," N.J.S.40A:5-1 et seq., the  
18 "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et  
19 seq.), any specific form of government law according to which the  
20 municipality is governed, and such other sections or other laws  
21 necessary to the governance and administration of a municipality,  
22 the control of litigation, and the determination of service levels as  
23 provided in this section.

24 Subject to the approval of the State Treasurer, the chief operating  
25 officer may appoint staff necessary to assist the chief operating  
26 officer in carrying out those responsibilities set forth in P.L.2002,  
27 c.43 (C.52:27BBB-1 et al.). The salary and benefits of persons so  
28 appointed and persons designated pursuant to subsection g. of this  
29 section shall be included in the budget request prepared by the chief  
30 operating officer pursuant to subsection b. of section 27 of  
31 P.L.2002, c.43 (C.52:27BBB-27). Persons appointed pursuant to  
32 this subsection shall serve at the pleasure of the chief operating  
33 officer.

34 f. During the rehabilitation term, the chief operating officer  
35 shall exercise the veto power of the mayor with respect to municipal  
36 ordinances; provided, however, that the chief operating officer may  
37 delegate the veto power to the mayor. In addition, during the  
38 rehabilitation term, the chief operating officer shall have the power  
39 to veto the minutes of any independent board or authority,  
40 including, but not limited to, the housing authority, parking  
41 authority, redevelopment authority, planning board and board of  
42 adjustment.

43 During the rehabilitation term, the chief operating officer may  
44 refer any matter involving any action or failure to act to the special  
45 arbitrator.

46 g. Subject to the approval of the **[director]** treasurer, the chief  
47 operating officer may appoint a confidential secretary and executive  
48 assistant who shall be State employees and serve in the unclassified



1 service of the Civil Service. The salary and benefits of these  
2 appointees shall be fixed by the **[director]** treasurer and adjusted  
3 from time to time as the **[director]** treasurer deems appropriate.  
4 The salary, benefits, and costs of these appointees shall be an  
5 expense of the State and shall be paid by the treasurer.

6 These appointees shall serve at the pleasure of the chief  
7 operating officer.

8 (cf: P.L.2002, c.43, s.9)

9

10 6. Section 25 of P.L.2002, c.43 (C.52:27BBB-25) is amended to  
11 read as follows:

12 25. Unless otherwise provided pursuant to P.L.2002, c.43  
13 (C.52:27BBB-1 et al.), the governing body shall retain all functions,  
14 powers and duties prescribed to it pursuant to the charter and  
15 administrative code of the municipality, Titles 40 and 40A  
16 generally and specifically in the "Local Bond Law," N.J.S.40A:2-1  
17 et seq., the "Local Budget Law," N.J.S.40A:4-1 et seq., the "Local  
18 Fiscal Affairs Law," N.J.S.40A:5-1 et seq., the "Local Public  
19 Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "New  
20 Jersey Water Supply Public-Private Contracting Act," P.L.1995,  
21 c.101 (C.58:26-19 et seq.), any specific form of government law  
22 according to which the municipality is governed, and such other  
23 sections or other laws which govern municipal operation or  
24 administration.

25 The governing body shall set the schedule and agenda for  
26 meetings of the governing body, which shall be duly advertised  
27 pursuant to the "Open Public Meetings Act," P.L.1975, c.231  
28 (C.10:4-6 et seq.). Meetings of the governing body shall be  
29 presided over by the president of the governing body.

30 The governing body and any other entity created by the  
31 municipality, including the planning board, zoning board of  
32 adjustment, personnel board, and any commission, council,  
33 redevelopment agency, or corporation, shall include in its agenda  
34 for meetings, all agenda items submitted by the chief operating  
35 officer.

36 (cf: P.L.2002, c.43, s.25)

37

38 7. (New section) Notwithstanding the provisions of subsection  
39 a. of section 52 of P.L.2002, c.43 (C.52:27BBB-51), moneys made  
40 available pursuant thereto may be committed for a period not to  
41 exceed two years following the effective date of P.L. ,  
42 c. (C. ) (pending before the Legislature as this bill).

43

44 8. This act shall take effect immediately.

## STATEMENT

1

2

3 This bill revises provisions of the "Municipal Rehabilitation and  
4 Economic Recovery Act. The City of Camden is the only  
5 municipality that is currently qualified as being under rehabilitation  
6 and economic recovery pursuant to the "Municipal Rehabilitation  
7 and Economic Recovery Act."

8 The bill would amend the "Municipal Rehabilitation and  
9 Economic Recovery Act," N.J.S.A.52:27BBB-1 et al., to extend the  
10 chief operating officer's term to 10 years following the assumption  
11 of duties on the part of the chief operating officer in the event a  
12 fourth-year report, filed pursuant to N.J.S.A.52:27BBB-8, indicates  
13 an extension of that term is necessary to achieve the rehabilitation  
14 goals, provided that the extension is approved by the Commissioner  
15 of Community Affairs.

16 The bill also provides that the chief operating officer's salary is  
17 to be approved by the State Treasurer, and is to be paid by the State.  
18 The chief operating officer is to be responsible for entering into any  
19 memorandum of understanding on behalf of the qualified  
20 municipality that is required as a condition of receiving assistance  
21 under N.J.S.A.52:27D-118.24 et seq., or any other law, during the  
22 rehabilitation period; provided, however, that those memoranda of  
23 understanding shall be consistent with the provisions of  
24 N.J.S.A.52:27BBB-1 et al., the provisions of the bill, and the  
25 powers of the chief operating officer granted pursuant to both, and  
26 shall be executed between the chief operating officer and the  
27 Director of the Division of Local Government Services in the  
28 Department of Community Affairs. Whenever the powers and  
29 duties of the chief operating officer have devolved upon the director  
30 pursuant to subsection b. of N.J.S.A.52:27BBB-7, the memorandum  
31 of understanding is to be executed between the director, on behalf  
32 of the qualified municipality, and the State Treasurer, on behalf of  
33 the State.

34 The bill provides that whenever a proposal is introduced by the  
35 chief operating officer, it shall be deemed approved when the mayor  
36 or governing body fails to act upon the proposal within 45 days  
37 following the chief operating officer's submission of the proposal to  
38 either the mayor or the governing body, or both, as appropriate.  
39 Disapproval by the mayor or governing body of any proposal  
40 introduced by the chief operating officer shall constitute an impasse  
41 and shall be subject to the dispute resolution procedures set forth in  
42 N.J.S.A.52:27BBB-5.

43 Subject to the approval of the director, any staff positions  
44 proposed by the chief operating officer necessary for the fulfillment  
45 of those responsibilities assigned pursuant to N.J.S.A.52:27BBB-1  
46 et al., shall be included in the budget request prepared by the chief  
47 operating officer pursuant to subsection b. of N.J.S.A.52:27BBB-  
48 27. Staff shall serve at the pleasure of the chief operating officer.

1       The bill provides that the governing body and any other entity  
2 created by the municipality, including the planning board, zoning  
3 board of adjustment, personnel board, and any commission, council,  
4 redevelopment agency, or corporation, is required to include in any  
5 agenda for meetings, all agenda items submitted by the chief  
6 operating officer.

7       Finally, the bill provides a new section of law which provides  
8 that, notwithstanding the provisions of subsection a. of  
9 N.J.S.A.52:27BBB-51, moneys made available pursuant thereto  
10 may be committed for a period not to exceed two years following  
11 the effective date of the bill.

12

13

14

15

16       Revises provisions of “Municipal Rehabilitation and Economic  
17 Recovery Act.”

# SENATE, No. 3006

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 14, 2007

**Sponsored by:**

**Senator WAYNE R. BRYANT**

**District 5 (Camden and Gloucester)**

**Assemblyman JOSEPH J. ROBERTS, JR.**

**District 5 (Camden and Gloucester)**

**Assemblywoman NILSA CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

**SYNOPSIS**

Revises provisions of “Municipal Rehabilitation and Economic Recovery Act.”

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/22/2007)**

S3006 BRYANT

2

1 AN ACT concerning urban revitalization and amending and  
2 supplementing P.L.2002, c.43.

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

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7 1. (New section) The Legislature finds and declares:

8 a. The “Municipal Rehabilitation and Economic Recovery  
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10 appointment of a chief operating officer in a qualified municipality  
11 for a five-year period, referred to in that law as the rehabilitation  
12 term;

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40 those powers delegated to the mayor pursuant to the form of  
41 government, the charter and the administrative code of the  
42 municipality, and those powers delegated to the mayor under  
43 general law. In addition, during the economic recovery term, the  
44 mayor shall retain the power to veto the minutes of any independent  
45 board or authority, including, but not limited to, the housing

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**Matter underlined thus is new matter.**

S3006 BRYANT

1 authority, parking authority, redevelopment authority, planning  
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25 with jurisdiction in a qualified municipality, other than those debts  
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28 Notwithstanding the termination of the financial review board  
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35 approved by the Local Finance Board shall continue to have full  
36 force and effect.

37 During the rehabilitation term, the chief operating officer shall  
38 be responsible for entering into any memorandum of understanding  
39 on behalf of the qualified municipality that is required as a  
40 condition of receiving assistance under P.L.1987, c.75 (C.52:27D-  
41 118.24 et seq.), or any other law; provided, however, that those  
42 memoranda of understanding shall be consistent with the provisions  
43 of P.L.2002, c.43 (C.52:27BBB-1 et al.) and P.L. , c. (C. )  
44 (pending before the Legislature as this bill), and the powers of the  
45 chief operating officer granted pursuant thereto. Any such  
46 memoranda of understanding shall be executed between the chief  
47 operating officer and the Director of the Division of Local  
48 Government Services in the Department of Community Affairs.

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1 Whenever the powers and duties of the chief operating officer have  
2 devolved upon the director pursuant to subsection b. of section 7 of  
3 P.L.2002, c.43 (C.52:27BBB-7), the memorandum of understanding  
4 shall be executed between the director, on behalf of the qualified  
5 municipality, and the State Treasurer, on behalf of the State.

6 (cf: P.L.2002, c.108, s.5)

7

8 3. Section 7 of P.L.2002, c.43 (C.52:27BBB-7) is amended to  
9 read as follows:

10 7. a. Upon receiving notification by the Commissioner of  
11 Community Affairs pursuant to section 4 of P.L.2002, c.43  
12 (C.52:27BBB-4), the Governor shall appoint the chief operating  
13 officer in consultation with the mayor and the governing body. The  
14 chief operating officer shall serve at the pleasure of the Governor.  
15 The chief operating officer shall be qualified by training and  
16 experience for the position and shall have at least 10 years of  
17 experience in the management or supervision of government  
18 activities, three years of which may be substituted by an advanced  
19 degree in business, law, or public administration.

20 b. Pending the appointment of a chief operating officer or, in  
21 the event of the death, resignation, removal or inability of the chief  
22 operating officer to discharge the duties of that office, the functions,  
23 powers and duties of the chief operating officer shall devolve upon  
24 the director, for the time being, until a chief operating officer is  
25 appointed or is able to discharge the duties of that office. In the  
26 event that the chief operating officer does not serve out the chief  
27 operating officer's term of office for any reason, a successor shall  
28 be chosen by the Governor.

29 c. The term of the chief operating officer shall terminate five  
30 years following the assumption of duties on the part of the initial  
31 chief operating officer first appointed pursuant to P.L.2002, c.43  
32 (C.52:27BBB-1 et al.), or 10 years thereafter if the fourth-year  
33 report required by section 8 of P.L.2002, c.43 (C.52:27BBB-8)  
34 recommends an extension of that term, provided that the extension  
35 is approved by the Commissioner of Community Affairs. The chief  
36 operating officer may be hired as a State employee in the  
37 unclassified service of Title 11A, Civil Service, of the New Jersey  
38 Statutes or may be hired under contract, as provided hereunder.  
39 Notwithstanding any other provision of law, no person so appointed  
40 shall acquire tenure.

41 If the chief operating officer is hired under contract, the person  
42 hired shall meet the qualifications set forth herein, and it shall be  
43 clear from the contract that the position is full-time and that the job  
44 site shall be at the principal offices of the municipality. If, for any  
45 reason, a person engaged under contract is unable to fulfill the job  
46 responsibilities of chief operating officer, the selection process shall  
47 be recommenced in accordance with the provisions of this section.

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1 If the chief operating officer is hired under contract, the contract  
2 shall be available for public inspection in the office of the  
3 municipal clerk.

4 d. Subject to the approval of the **[commissioner]** State  
5 Treasurer, the salary, benefits and costs of the chief operating  
6 officer shall be fixed by the board and adjusted from time to time as  
7 the board deems appropriate. The salary level and benefits shall be  
8 comparable to that of the director of any public authority or agency  
9 with jurisdiction in the qualified municipality. The salary, benefits,  
10 and costs of the chief operating officer shall be an expense of the  
11 State and paid through the Department of the Treasury.

12 (cf: P.L.2002, c.108, s.6)

13

14 4. Section 8 of P.L.2002, c.43 (C.52:27BBB-8) is amended to  
15 read as follows:

16 8. a. At the end of four years following the commencement of  
17 duties by the chief operating officer and at the end of eight years, in  
18 the event of an extension of the term of the chief operating officer,  
19 as provided in subsection c. of section 6 of P.L.2002, c.43  
20 (C.52:27BBB-6) (as amended by section 3 of this bill), the chief  
21 operating officer or his or her successor shall submit a report to the  
22 Governor, each member of the State Economic Recovery Board,  
23 each member of the Senate and General Assembly, each member of  
24 the county board of freeholders in the county in which the qualified  
25 municipality is situated, each member of the regional impact  
26 council, the mayor, and each member of the governing body of the  
27 qualified municipality. The report shall evaluate progress made in  
28 rehabilitating the qualified municipality and the status of economic  
29 recovery efforts. The report shall include an enumeration of any  
30 problems or hurdles encountered in rehabilitation and economic  
31 recovery and, where applicable, recommendations for any  
32 amendments to State law which would promote and encourage  
33 rehabilitation and economic recovery. If the chief operating officer  
34 anticipates that the rehabilitation term will be insufficient to achieve  
35 rehabilitation goals, the chief operating officer shall include in the  
36 report a detailed analysis of the causes for the municipality's  
37 inability to reestablish local control and an assessment of the  
38 amount of time necessary for the continuation of the period of the  
39 rehabilitation term.

40 In addition to the foregoing, the report shall include detailed  
41 information as to how those funds appropriated pursuant to  
42 P.L.2002, c.43 (C.52:27BBB-1 et al.) are being spent and how those  
43 expenditures are serving to promote the economic revitalization of  
44 the qualified municipality.

45 b. Within 30 days of receipt of **[the]** each report by members  
46 of the Legislature, a hearing shall be held by the Senate Community  
47 and Urban Affairs Committee and the Assembly Housing and Local



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6

1 Government Committee, or their successors, to provide an  
2 opportunity for public comment and discussion.

3 (cf: P.L.2002, c.43, s.8)

4

5 5. Section 9 of P.L.2002, c.43 (C.52:27BBB-9) is amended to  
6 read as follows:

7 9. a. Upon the appointment of the chief operating officer  
8 pursuant to subsection a. of section 7 of P.L.2002, c.43  
9 (C.52:27BBB-7), all the functions, powers and duties heretofore or  
10 hereafter assigned by any statute, regulation, ordinance, resolution,  
11 charter or contract for municipal operations, municipal organization  
12 and reorganization, development and implementation of workforce  
13 training programs, and the hiring and firing of department heads,  
14 managers and supervisory employees shall be reallocated to the  
15 chief operating officer. The chief operating officer shall exercise  
16 those functions, powers and duties in consultation with the mayor as  
17 are hereinafter provided.

18 b. Except as otherwise provided in P.L.2002, c.43  
19 (C.52:27BBB-1 et al.), the chief operating officer shall have the  
20 power to perform all acts and do all things consistent with law  
21 necessary for the proper conduct, maintenance, rehabilitation and  
22 supervision of the qualified municipality. The chief operating  
23 officer may propose ordinances, resolutions, rules, policies and  
24 guidelines, not inconsistent with law, for the proper conduct,  
25 maintenance and supervision of the municipality.

26 Ordinances and resolutions shall be adopted or amended as  
27 provided by law except that the chief operating officer shall  
28 exercise the functions, powers and duties of the mayor.

29 A proposal introduced by the chief operating officer shall be  
30 deemed approved if the mayor or governing body fails to act upon  
31 the proposal within 45 days following the chief operating officer's  
32 submission of the proposal to either the mayor or the governing  
33 body, or both, as appropriate. [Failure of] Disapproval by the  
34 mayor or governing body [to act upon or approve] of any proposal  
35 introduced by the chief operating officer shall constitute an impasse  
36 and shall be subject to the dispute resolution procedures set forth in  
37 section 5 of P.L.2002, c.43 (C.52:27BBB-5).

38 c. Notwithstanding the provisions of the "Long Term Tax  
39 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), the chief  
40 operating officer may negotiate financial agreements and otherwise  
41 exercise the powers of the governing body pursuant thereto,  
42 including making available municipal land in order to facilitate a  
43 project pursuant to section 17 of P.L.1991, c.431 (C.40A:20-17).  
44 Any such agreements negotiated by the chief operating officer shall  
45 be presented to the governing body for the information of the  
46 members of the governing body.

47 d. Notwithstanding any provisions of P.L.2001, c.310 to the  
48 contrary, the chief operating officer may, in consultation with the

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1 mayor and governing body, negotiate bond financing pursuant to  
2 the "Redevelopment Area Bond Financing Law," sections 1 through  
3 10 of P.L.2001, c.310 (C.40A:12A-64 through 73) and revenue  
4 allocation financing pursuant to the "Revenue Allocation District  
5 Financing Act," sections 11 through 41 of P.L.2001, c.310  
6 (C.52:27D-459 through 489).

7 e. The functions, powers and duties reallocated to the chief  
8 operating officer pursuant to this section shall include, but not be  
9 limited to those powers allocated to the mayor which are found in  
10 the charter and administrative code of the municipality, Titles 40  
11 and 40A generally and specifically in the "Local Bond Law,"  
12 N.J.S.40A:2-1 et seq., the "Local Budget Law," N.J.S.40A:4-1 et  
13 seq., the "Local Fiscal Affairs Law," N.J.S.40A:5-1 et seq., the  
14 "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et  
15 seq.), any specific form of government law according to which the  
16 municipality is governed, and such other sections or other laws  
17 necessary to the governance and administration of a municipality,  
18 the control of litigation, and the determination of service levels as  
19 provided in this section.

20 Subject to the approval of the State Treasurer, the chief operating  
21 officer may appoint staff necessary to assist the chief operating  
22 officer in carrying out those responsibilities set forth in P.L.2002,  
23 c.43 (C.52:27BBB-1 et al.). The salary and benefits of persons so  
24 appointed and persons designated pursuant to subsection g. of this  
25 section shall be included in the budget request prepared by the chief  
26 operating officer pursuant to subsection b. of section 27 of  
27 P.L.2002, c.43 (C.52:27BBB-27). Persons appointed pursuant to  
28 this subsection shall serve at the pleasure of the chief operating  
29 officer.

30 f. During the rehabilitation term, the chief operating officer  
31 shall exercise the veto power of the mayor with respect to municipal  
32 ordinances; provided, however, that the chief operating officer may  
33 delegate the veto power to the mayor. In addition, during the  
34 rehabilitation term, the chief operating officer shall have the power  
35 to veto the minutes of any independent board or authority,  
36 including, but not limited to, the housing authority, parking  
37 authority, redevelopment authority, planning board and board of  
38 adjustment.

39 During the rehabilitation term, the chief operating officer may  
40 refer any matter involving any action or failure to act to the special  
41 arbitrator.

42 g. Subject to the approval of the **[director]** treasurer, the chief  
43 operating officer may appoint a confidential secretary and executive  
44 assistant who shall be State employees and serve in the unclassified  
45 service of the Civil Service. The salary and benefits of these  
46 appointees shall be fixed by the **[director]** treasurer and adjusted  
47 from time to time as the **[director]** treasurer deems appropriate.

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8

1 The salary, benefits, and costs of these appointees shall be an  
2 expense of the State and shall be paid by the treasurer.

3 These appointees shall serve at the pleasure of the chief  
4 operating officer.

5 (cf: P.L.2002, c.43, s.9)

6

7 6. Section 25 of P.L.2002, c.43 (C.52:27BBB-25) is amended to  
8 read as follows:

9 25. Unless otherwise provided pursuant to P.L.2002, c.43  
10 (C.52:27BBB-1 et al.), the governing body shall retain all functions,  
11 powers and duties prescribed to it pursuant to the charter and  
12 administrative code of the municipality, Titles 40 and 40A  
13 generally and specifically in the "Local Bond Law," N.J.S.40A:2-1  
14 et seq., the "Local Budget Law," N.J.S.40A:4-1 et seq., the "Local  
15 Fiscal Affairs Law," N.J.S.40A:5-1 et seq., the "Local Public  
16 Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "New  
17 Jersey Water Supply Public-Private Contracting Act," P.L.1995,  
18 c.101 (C.58:26-19 et seq.), any specific form of government law  
19 according to which the municipality is governed, and such other  
20 sections or other laws which govern municipal operation or  
21 administration.

22 The governing body shall set the schedule and agenda for  
23 meetings of the governing body, which shall be duly advertised  
24 pursuant to the "Open Public Meetings Act," P.L.1975, c.231  
25 (C.10:4-6 et seq.). Meetings of the governing body shall be  
26 presided over by the president of the governing body.

27 The governing body and any other entity created by the  
28 municipality, including the planning board, zoning board of  
29 adjustment, personnel board, and any commission, council,  
30 redevelopment agency, or corporation, shall include in its agenda  
31 for meetings, all agenda items submitted by the chief operating  
32 officer.

33 (cf: P.L.2002, c.43, s.25)

34

35 7. (New section) Notwithstanding the provisions of subsection  
36 a. of section 52 of P.L.2002, c.43 (C.52:27BBB-51), moneys made  
37 available pursuant thereto may be committed for a period not to  
38 exceed two years following the effective date of P.L. ,  
39 c. (C. ) (pending before the Legislature as this bill).

40

41 8. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill revises provisions of the "Municipal Rehabilitation and  
47 Economic Recovery Act. The City of Camden is the only  
48 municipality that is currently qualified as being under rehabilitation

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1 and economic recovery pursuant to the "Municipal Rehabilitation  
2 and Economic Recovery Act."

3 The bill would amend the "Municipal Rehabilitation and  
4 Economic Recovery Act," N.J.S.A.52:27BBB-1 et al., to extend the  
5 chief operating officer's term to 10 years following the assumption  
6 of duties on the part of the chief operating officer in the event a  
7 fourth-year report, filed pursuant to N.J.S.A.52:27BBB-8, indicates  
8 an extension of that term is necessary to achieve the rehabilitation  
9 goals, provided that the extension is approved by the Commissioner  
10 of Community Affairs.

11 The bill also provides that the chief operating officer's salary is  
12 to be approved by the State Treasurer, and is to be paid by the State.  
13 The chief operating officer is to be responsible for entering into any  
14 memorandum of understanding on behalf of the qualified  
15 municipality that is required as a condition of receiving assistance  
16 under N.J.S.A.52:27D-118.24 et seq., or any other law, during the  
17 rehabilitation period; provided, however, that those memoranda of  
18 understanding shall be consistent with the provisions of  
19 N.J.S.A.52:27BBB-1 et al., the provisions of the bill, and the  
20 powers of the chief operating officer granted pursuant to both, and  
21 shall be executed between the chief operating officer and the  
22 Director of the Division of Local Government Services in the  
23 Department of Community Affairs. Whenever the powers and  
24 duties of the chief operating officer have devolved upon the director  
25 pursuant to subsection b. of N.J.S.A.52:27BBB-7, the memorandum  
26 of understanding is to be executed between the director, on behalf  
27 of the qualified municipality, and the State Treasurer, on behalf of  
28 the State.

29 The bill provides that whenever a proposal is introduced by the  
30 chief operating officer, it shall be deemed approved when the mayor  
31 or governing body fails to act upon the proposal within 45 days  
32 following the chief operating officer's submission of the proposal to  
33 either the mayor or the governing body, or both, as appropriate.  
34 Disapproval by the mayor or governing body of any proposal  
35 introduced by the chief operating officer shall constitute an impasse  
36 and shall be subject to the dispute resolution procedures set forth in  
37 N.J.S.A.52:27BBB-5.

38 Subject to the approval of the director, any staff positions  
39 proposed by the chief operating officer necessary for the fulfillment  
40 of those responsibilities assigned pursuant to N.J.S.A.52:27BBB-1  
41 et al., shall be included in the budget request prepared by the chief  
42 operating officer pursuant to subsection b. of N.J.S.A.52:27BBB-  
43 27. Staff shall serve at the pleasure of the chief operating officer.

44 The bill provides that the governing body and any other entity  
45 created by the municipality, including the planning board, zoning  
46 board of adjustment, personnel board, and any commission, council,  
47 redevelopment agency, or corporation, is required to include in any

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10

1 agenda for meetings, all agenda items submitted by the chief  
2 operating officer.

3 Finally, the bill provides a new section of law which provides  
4 that, notwithstanding the provisions of subsection a. of  
5 N.J.S.A.52:27BBB-51, moneys made available pursuant thereto  
6 may be committed for a period not to exceed two years following  
7 the effective date of the bill.

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### SENATE, No. 3006

# STATE OF NEW JERSEY

DATED: JUNE 21, 2007

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No.3006.

This bill revises provisions of the “Municipal Rehabilitation and Economic Recovery Act,” P.L.2002, c.43 (C.52:27BBB-1 et al.) (hereinafter, the Act). The City of Camden is the only municipality that is currently qualified as being under rehabilitation and economic recovery pursuant to the Act.

The bill would amend the Act to extend the term of office of the chief operating officer from five to 10 years, following the assumption of duties on the part of the initial chief operating officer, if the report required by section 8 of P.L.2002, c.43 (C.52:27BBB-8), to be filed by the chief operating officer after four years of service, recommends an extension of that term, and provided that the extension is approved by the Commissioner of Community Affairs. This change, if approved by the commissioner, would also increase the period of rehabilitation and economic recovery of a qualified municipality from 10 to 15 years. The bill provides that if the term of a chief operating officer is extended to 10 years, then at the end of eight years, the officer would be required to submit an additional report.

The bill also provides that the chief operating officer’s salary benefits and costs (which are set by the State Economic Recovery Board) are subject to the approval of the State Treasurer, rather than the Commissioner of Community Affairs, and are to be paid through the Department of the Treasury. Current law provides that the salary benefits and costs of the chief operating officer are a State expense but does not specify the department through which the officer is paid.

The bill would make the chief operating officer responsible for entering into any memorandum of understanding on behalf of the qualified municipality that is required as a condition of receiving assistance under the “Special Municipal Aid Act,” P.L.1987, c.75 (C.52:27D-118.24 et seq.), or any other law; provided, however, that those memoranda of understanding must be consistent with the provisions of the Act and the provisions of this bill. The bill specifies that memoranda of understanding would be executed between the chief operating officer and the Director of the Division of Local Government Services in the Department of Community Affairs, however, whenever the powers and duties of the chief operating

officer devolve upon the director pursuant to subsection b. of section 7 of P.L.2002, c.43 (C.52:27BBB-7), the memorandum of understanding would be executed between the director, on behalf of the qualified municipality, and the State Treasurer, on behalf of the State.

The bill provides that whenever a proposal is introduced by the chief operating officer, it will be deemed approved if the mayor or governing body fails to act upon the proposal within 45 days following the chief operating officer's submission of the proposal to either the mayor or the governing body, or both, as appropriate. Disapproval by the mayor or governing body of any proposal introduced by the chief operating officer would constitute an impasse and be subject to the dispute resolution procedures set forth in section 5 of P.L.2002, c.43 (C.52:27BBB-5).

The bill would allow the chief operating officer to appoint staff deemed necessary to assist the chief operating officer to carry out the responsibilities set forth in the Act, subject to the approval of the State Treasurer. The bill provides that the chief operating officer would include proposed salaries and benefits for the chief operating officer's appointees in the budget request prepared by the chief operating officer pursuant to subsection b. of section 27 of P.L.2002, c.43 (C.52:27BBB-27). Staff would serve at the pleasure of the chief operating officer.

The bill provides that the governing body and any other entity created by the municipality, including the planning board, zoning board of adjustment, personnel board, and any commission, council, redevelopment agency, or corporation, is required to include in any agenda for meetings, all agenda items submitted by the chief operating officer.

Finally, the bill includes a new section which provides that moneys made available pursuant to the provisions of subsection a. of section 52 of P.L.2002, c.43 (C.52:27BBB-51) may be committed for a period not to exceed two years following the effective date of this bill. Current law requires those moneys to have been committed within four years of the effective date of P.L.2002, c.43, which was June 30, 2006.

# ASSEMBLY, No. 4129

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED MAY 10, 2007

**Sponsored by:**

**Assemblyman JOSEPH J. ROBERTS, JR.**

**District 5 (Camden and Gloucester)**

**Assemblywoman NILSA CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

**SYNOPSIS**

Extends the chief operating officer's term and the moratorium on regional contribution agreements by five years under the Municipal Rehabilitation and Economic Recovery Act.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning certain provisions of the “Municipal  
2 Rehabilitation and Economic Recovery Act,” and amending  
3 P.L.2002, c.43.

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

7  
8 1. Section 7 of P.L.2002, c.43 (C.52:27BBB-7) is amended to  
9 read as follows:

10 7. a. Upon receiving notification by the Commissioner of  
11 Community Affairs pursuant to section 4 of P.L.2002, c.43  
12 (C.52:27BBB-4), the Governor shall appoint the chief operating  
13 officer in consultation with the mayor and the governing body. The  
14 chief operating officer shall serve at the pleasure of the Governor.  
15 The chief operating officer shall be qualified by training and  
16 experience for the position and shall have at least 10 years of  
17 experience in the management or supervision of government  
18 activities, three years of which may be substituted by an advanced  
19 degree in business, law, or public administration.

20 b. Pending the appointment of a chief operating officer or, in  
21 the event of the death, resignation, removal or inability of the chief  
22 operating officer to discharge the duties of that office, the functions,  
23 powers and duties of the chief operating officer shall devolve upon  
24 the director, for the time being, until a chief operating officer is  
25 appointed or is able to discharge the duties of that office. In the  
26 event that the chief operating officer does not serve out the chief  
27 operating officer's term of office for any reason, a successor shall  
28 be chosen by the Governor.

29 c. The term of the chief operating officer shall terminate **[five]**  
30 10 years following the assumption of duties on the part of the chief  
31 operating officer. The chief operating officer may be hired as a  
32 State employee in the unclassified service of Title 11A, Civil  
33 Service, of the New Jersey Statutes or may be hired under contract,  
34 as provided hereunder. Notwithstanding any other provision of law,  
35 no person so appointed shall acquire tenure.

36 If the chief operating officer is hired under contract, the person  
37 hired shall meet the qualifications set forth herein, and it shall be  
38 clear from the contract that the position is full-time and that the job  
39 site shall be at the principal offices of the municipality. If, for any  
40 reason, a person engaged under contract is unable to fulfill the job  
41 responsibilities of chief operating officer, the selection process shall  
42 be recommenced in accordance with the provisions of this section.

43 If the chief operating officer is hired under contract, the contract  
44 shall be available for public inspection in the office of the  
45 municipal clerk.

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

**Matter underlined thus is new matter.**

1 d. Subject to the approval of the commissioner, the salary,  
2 benefits and costs of the chief operating officer shall be fixed by the  
3 board and adjusted from time to time as the board deems  
4 appropriate. The salary level and benefits shall be comparable to  
5 that of the director of any public authority or agency with  
6 jurisdiction in the qualified municipality. The salary, benefits, and  
7 costs of the chief operating officer shall be an expense of the State.  
8 (cf: P.L.2002, c.108, s.6)

9  
10 2. Section 66 of P.L.2002, c.43 (C.52:27BBB-62) is amended to  
11 read as follows:

12 66. Upon the date upon which the commissioner determines  
13 that the municipality fulfills the definition of a qualified  
14 municipality pursuant to section 4 of P.L.2002, c.43 (C.52:27BBB-  
15 4) and during the rehabilitation term and five years thereafter, there  
16 shall be a moratorium on regional contribution agreements pursuant  
17 to P.L.1985, c.222 (C.52:27D-301 et al.) in any qualified  
18 municipality.

19 (cf: P.L.2002, c.108, s.12)

20  
21 3. This act shall take effect immediately.  
22  
23

24 STATEMENT  
25

26 This bill would amend the "Municipal Rehabilitation and  
27 Economic Recovery Act" (C.52:27BBB-1 et al.), to extend the chief  
28 operating officer's term by five years, and to extend the moratorium  
29 on regional contribution agreements provided for in the act by five  
30 years.

31 The City of Camden is the only municipality that is currently  
32 qualified as being under rehabilitation and economic recovery  
33 pursuant to the "Municipal Rehabilitation and Economic Recovery  
34 Act."

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY, No. 4129

**STATE OF NEW JERSEY**

DATED: JUNE 14, 2007

The Assembly Housing and Local Government Committee reports favorably Assembly Committee Substitute for Assembly Bill No. 4129.

This committee substitute revises provisions of the "Municipal Rehabilitation and Economic Recovery Act. The City of Camden is the only municipality that is currently qualified as being under rehabilitation and economic recovery pursuant to the "Municipal Rehabilitation and Economic Recovery Act."

The committee substitute would amend the "Municipal Rehabilitation and Economic Recovery Act" (C.52:27BBB-1 et al.), to extend the chief operating officer's term to 10 years following the assumption of duties on the part of the chief operating officer in the event a fourth year report filed pursuant to section 8 of P.L.2002, c.43 (C.52:27BBB-8) indicates an extension of that term is necessary to achieve the rehabilitation goals, provided that the extension is approved by the Commissioner of Community Affairs.

The substitute also provides that the chief operating officer's salary is to be approved by the State Treasurer, and is to be paid by the State. The chief operating officer is to be responsible for entering into any memorandum of understanding on behalf of the qualified municipality that is required as a condition of receiving assistance under P.L.1987, c.75 (C.52:27D-118.24 et seq.), or any other law, during the rehabilitation period; provided, however, that those memoranda of understanding shall be consistent with the provisions of P.L.2002, c.43 (C.52:27BBB-1 et al.), the provisions of the bill, and the powers of the chief operating officer granted pursuant to both, and shall be executed between the chief operating officer and the Director of the Division of Local Government Services in the Department of Community Affairs. Whenever the powers and duties of the chief operating officer have devolved upon the director pursuant to subsection b. of section 7 of P.L.2002, c.43 (C.52:27BBB-7), the memorandum of understanding is to be executed between the director, on behalf of the qualified municipality, and the State Treasurer, on behalf of the State.

The substitute provides that whenever a proposal is introduced by the chief operating officer, it shall be deemed approved when the mayor or governing body fails to act upon the proposal within 45 days following the chief operating officer's submission of the proposal to either the mayor or the governing body, or both, as appropriate. Disapproval by the mayor or governing body of any proposal introduced by the chief operating officer shall constitute an impasse and shall be subject to the dispute resolution procedures set forth in section 5 of P.L.2002, c.43 (C.52:27BBB-5).

Subject to the approval of the director, any staff positions proposed by the chief operating officer necessary for the fulfillment of those responsibilities assigned pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.) shall be included in the budget request prepared by the chief operating officer pursuant to subsection b. of section 27 of P.L.2002, c.43 (C.52:27BBB-27). Staff shall serve at the pleasure of the chief operating officer.

The substitute provides that the governing body and any other entity created by the municipality, including the planning board, zoning board of adjustment, personnel board, and any commission, council, redevelopment agency, or corporation, is required to include in any agenda for meetings, all agenda items submitted by the chief operating officer.

Finally the substitute provides a new section of law which provides that, notwithstanding the provisions of subsection a. of section 52 of P.L.2002, c.43 (C.52:27BBB-51), moneys made available pursuant thereto may be committed for a period not to exceed two years following the effective date of the bill.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 4129

# STATE OF NEW JERSEY

DATED: JUNE 18, 2007

The Assembly Budget Committee reports favorably Assembly Bill No. 4129 (ACS).

The bill revises provisions of the "Municipal Rehabilitation and Economic Recovery Act. The City of Camden is the only municipality that is currently qualified as being under rehabilitation and economic recovery pursuant to the "Municipal Rehabilitation and Economic Recovery Act."

The substitute would amend the "Municipal Rehabilitation and Economic Recovery Act" (C.52:27BBB-1 et al.), to extend the chief operating officer's term to 10 years following the assumption of duties on the part of the chief operating officer in the event a fourth year report filed pursuant to section 8 of P.L.2002, c.43 (C.52:27BBB-8) indicates an extension of that term is necessary to achieve the rehabilitation goals, provided that the extension is approved by the Commissioner of Community Affairs.

The substitute also provides that the chief operating officer's salary is to be approved by the State Treasurer, and is to be paid by the State. The chief operating officer is to be responsible for entering into any memorandum of understanding on behalf of the qualified municipality that is required as a condition of receiving assistance under P.L.1987, c.75 (C.52:27D-118.24 et seq.), or any other law, during the rehabilitation period; provided, however, that those memoranda of understanding shall be consistent with the provisions of P.L.2002, c.43 (C.52:27BBB-1 et al.), the provisions of the bill, and the powers of the chief operating officer granted pursuant to both, and shall be executed between the chief operating officer and the Director of the Division of Local Government Services in the Department of Community Affairs. Whenever the powers and duties of the chief operating officer have devolved upon the director pursuant to subsection b. of section 7 of P.L.2002, c.43 (C.52:27BBB-7), the memorandum of understanding is to be executed between the director, on behalf of the qualified municipality, and the State Treasurer, on behalf of the State.

The substitute provides that whenever a proposal is introduced by the chief operating officer, it shall be deemed approved when the mayor or governing body fails to act upon the proposal within 45 days

following the chief operating officer's submission of the proposal to either the mayor or the governing body, or both, as appropriate. Disapproval by the mayor or governing body of any proposal introduced by the chief operating officer shall constitute an impasse and shall be subject to the dispute resolution procedures set forth in section 5 of P.L.2002, c.43 (C.52:27BBB-5).

Subject to the approval of the director, any staff positions proposed by the chief operating officer necessary for the fulfillment of those responsibilities assigned pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.) shall be included in the budget request prepared by the chief operating officer pursuant to subsection b. of section 27 of P.L.2002, c.43 (C.52:27BBB-27). Staff shall serve at the pleasure of the chief operating officer.

The substitute provides that the governing body and any other entity created by the municipality, including the planning board, zoning board of adjustment, personnel board, and any commission, council, redevelopment agency, or corporation, is required to include in any agenda for meetings, all agenda items submitted by the chief operating officer.

Finally the substitute provides a new section of law which provides that, notwithstanding the provisions of subsection a. of section 52 of P.L.2002, c.43 (C.52:27BBB-51), moneys made available pursuant thereto may be committed for a period not to exceed two years following the effective date of the bill.

#### FISCAL IMPACT:

By extending the term of the chief operating officer and the rehabilitation term for an additional five years in the City of Camden, this bill will cause an indeterminate increase in state expenditures for the salary and benefits of the chief operating officer. In addition, State expenditures may increase as a result of the bill's authorizing the chief operating officer to appoint staff to assist in performing the duties of that office (section 5).

Also, as a result of extending the rehabilitation term, the city's municipal purposes tax rate remains limited by law (subsection a. of Section 27 of P.L. 2003, c.75) to that rate which was established in the year during which rehabilitation took effect. As a consequence, the requirement that the State annually rehabilitation aid in sufficient amount to assure a balanced city budget within this tax rate restriction (subsection a. of section 73 of P.L. 2003, c.75) is extended for an additional five years. The amount of additional State aid that will result cannot be estimated due to the variety and unpredictable nature of the factors that affect the city's tax rate.

Section 7 of the bill also extends by two years the period during which \$28.6 million in resources in the Higher Education and Regional Health Care Development Fund earmarked for non-profit higher educational institutions may be committed to the several

institutions designated to receive those funds under the conditions specified in the act. According to information provided by the New Jersey Economic Development Authority, as of May 30, 2007, a total of \$14.1 million of these funds remained uncommitted and would thus remain available under this bill. Those funds are earmarked for Rowan University (\$5.1 million) and the University of Medicine and Dentistry of New Jersey (\$9 million).

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY COMMITTEE SUBSTITUTE FOR**  
**ASSEMBLY, No. 4129**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: JULY 9, 2007

**SUMMARY**

**Synopsis:** Revises provisions of “Municipal Rehabilitation and Economic Recovery Act.”

**Type of Impact:** Increased cost to General Fund.

**Agencies Affected:** Department of the Treasury; Department of Community Affairs; City of Camden.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate recurring annual cost of funding chief operating officer position and any supporting staff during the five year rehabilitation and economic recovery period.		
<b>Local Revenue</b>	Indeterminate annual amount of rehabilitation aid to be received by the qualified municipality during the five year rehabilitation and economic recovery period.		

- The Office of Legislative Services (OLS) is unable to estimate the cost of this bill to the State because OLS cannot know with any certainty what the final future compensation plan will be that the State will offer to the next chief operating officer and any supporting staff. The OLS notes, however, that the current interim chief operating officer is being paid \$18,000 a month for services rendered whereas the original chief operating officer was paid a salary of \$175,000 per annum. The OLS observes that the final salary to be paid by State to support the position of chief operating officer under this bill may be greater than or less than the amount that was paid to either the previous chief operating officer or the interim chief operating officer.
- The OLS notes that pursuant to section 27 of P.L.2002, c.43 the chief operating officer may continue under this bill to request rehabilitation aid from the Director of the Division of Local Government Services during the extended five year rehabilitation and economic recovery period. The amount of rehabilitation aid that will be paid by the State cannot be estimated due to the variety of unpredictable factors that may affect the qualified



municipality's ability to raise revenue for the support of its annual local budget and increase its need for rehabilitation dollars.

- Section 7 of the bill provides for the expenditure of moneys made available within the Higher Education and Regional Health Care Development Fund pursuant to section 52 of P.L.2002, c.43 for a period not to exceed two years following the bill's effective date. According to information provided by the New Jersey Economic Development Authority, a total of \$14.1 million is expected to be allocated from the fund within bill's extended two year funding period to Rowan University (\$5.1 million) and the University of Medicine and Dentistry of New Jersey (\$9 million).

## **BILL DESCRIPTION**

Assembly Committee Substitute for Assembly Bill No. 4129 of 2007 amends the "Municipal Rehabilitation and Economic Recovery Act" (C.52:27BBB-1 et al.), to extend the chief operating officer's term to 10 years following the assumption of duties on the part of the chief operating officer in the event a fourth year report filed pursuant to section 8 of P.L.2002, c.43 (C.52:27BBB-8) indicates an extension of that term is necessary to achieve the rehabilitation goals, provided that the extension is approved by the Commissioner of Community Affairs.

The bill also provides that the chief operating officer's salary is to be approved by the State Treasurer, and is to be paid by the State. The chief operating officer is to be responsible for entering into any memorandum of understanding on behalf of the qualified municipality that is required as a condition of receiving assistance under P.L.1987, c.75 (C.52:27D-118.24 et seq.), or any other law, during the rehabilitation period; provided, however, that those memoranda of understanding shall be consistent with the provisions of P.L.2002, c.43 (C.52:27BBB-1 et al.), the provisions of the bill, and the powers of the chief operating officer granted pursuant to both, and shall be executed between the chief operating officer and the Director of the Division of Local Government Services in the Department of Community Affairs. Whenever the powers and duties of the chief operating officer have devolved upon the director pursuant to subsection b. of section 7 of P.L.2002, c.43 (C.52:27BBB-7), the memorandum of understanding is to be executed between the director, on behalf of the qualified municipality, and the State Treasurer, on behalf of the State.

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Finally the bill provides a new section of law which provides that, notwithstanding the provisions of subsection a. of section 52 of P.L.2002, c.43 (C.52:27BBB-51), moneys made available pursuant thereto may be committed for a period not to exceed two years following the effective date of the bill.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

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*Section:* Local Government

*Analyst:* Pedro Carrasquillo  
Associate Fiscal Analyst

*Approved:* David J. Rosen  
Legislative Budget and Finance Officer

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

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

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Sep-16-07 Governor Signs Extension of Camden Revitalization Act

## NEWS RELEASE

Governor Jon S. Corzine  
September 16, 2007

## FOR MORE INFORMATION:

Press Office  
609-777-2600

### **Governor Signs Extension of Camden Revitalization Act**

Taps Judge Theodore Davis as Permanent COO of Camden

**CAMDEN** - Governor Jon S. Corzine today signed legislation extending for five years certain provisions of the Municipal Rehabilitation and Economic Recovery Act, the law that authorized the State's comprehensive rehabilitation and recovery program for Camden. The legislation will permit a five-year extension for the State-appointed Chief Operating Officer (COO) and makes other changes that enhance the COO's ability to implement recovery measures and work productively with the Mayor and City Council for the benefit of the city's residents.

"In the past five years we have taken important steps toward a brighter future for the City of Camden and its people," Governor Corzine said.

"But it is clear that we have plenty more to do. This legislation ensures that we have the important tools we need to continue to see positive change from the state's significant investment in the rehabilitation and recovery of Camden."

The original Recovery Act, passed in 2002, authorized the State to appoint a Chief Operating Officer with broad powers over the operations of the city government. The 2002 Act also funded an unprecedented economic recovery program for the City. That program will continue under the originally authorized funding levels. The 2002 Act also gave the

state a voice in the local school district by giving the Governor veto power over the actions of the school board; that authority will remain in place.

"In order for Camden to continue its progress, the state needs to continue its role in helping Camden build a better future," said Assembly Speaker Joseph Roberts (D-Camden, Gloucester), who sponsored the bill in the Assembly. "This continued investment in progress will be helpful not only for Camden's residents, but for the overall economy of the entire South Jersey region."

"It's important for the state to continue working in partnership with the city to promote Camden's revival efforts," said Assemblywoman Nilsa Cruz-Perez (D-Camden, Gloucester), another Assembly sponsor. "Working together, we can move Camden closer to the day when residents might walk safer streets, send their children to better schools, and hold jobs that will one day provide them the means with which to fulfill their dreams."

The bill, S-3006/A-4129, was sponsored in the Senate by Senator Bryant.

Governor Corzine also announced today that, after a national search, he would appoint Judge Davis as the permanent COO of Camden.

Governor Corzine appointed Judge Davis as Camden's COO on an interim basis in December of 2006. He is a native of Camden and served for 22 years on the Superior Court, including 12 years as Presiding Judge of the Camden County Chancery Division. Prior to his appointment as interim COO, he was a member at the law firm of Cozen O'Conner. Judge Davis and his wife, who have one child, reside in Camden.

"I appreciate the work the search committee put in to find a Chief Operating Officer for Camden," Governor Corzine said. "They conducted a national search and interviewed candidates from a wide variety of backgrounds, but no one could match Judge Davis's combination of integrity, intelligence, experience and dedication to and knowledge of the city of Camden."

"I am extremely grateful and honored for the confidence Governor Corzine has shown in me by appointing me as the Chief Operating Officer of the City of Camden- my home," Judge Davis said. "I am quite grateful for the opportunity to be of service to the state and the residents of Camden.

With appropriate diligence and an extreme work ethic by the employees of the city and the trust of residents I have no doubt what the Governor desires for Camden- its revitalization - can in fact be accomplished."

The City of Camden also announced Sunday that it had arrived at a contract agreement with unions representing Camden's police officers.

The agreement, negotiated with the assistance of David Beckett from the Governor's Office of Employee Relations, will allow the department the flexibility to deploy officers in shifts and locations according to need.

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