

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

Senate, No. 2465

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

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

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

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

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

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

23 (2) A representative committee of registered voters from two or
24 more contiguous municipalities may petition the board for the
25 creation of a Municipal Consolidation Study Commission, as
26 described in subsection c. of this section. The petition, to be
27 sufficient, shall be signed by the registered and qualified voters of
28 the municipalities in a number at least equal to 10% of the total
29 votes cast in those municipalities at the last preceding general
30 election at which members of the General Assembly were elected.

31 The board shall also accept a combination of applications from
32 local governing bodies, pursuant to subparagraph (b) of paragraph
33 (1) of this subsection, and petitions from representative committees
34 of registered voters, pursuant to this paragraph, from two or more
35 contiguous municipalities, requesting the creation of a Municipal
36 Consolidation Study Commission; however, if each municipality
37 submits an application from its governing body, any proposed
38 consolidation plan shall be approved by voter referendum in each of
39 the municipalities.

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

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

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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37 2. This act shall take effect immediately.

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STATEMENT

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

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

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