

CHAPTER 144

AN ACT authorizing State oversight for certain municipalities experiencing fiscal distress, supplementing Title 52 of the Revised Statutes, and making appropriations.

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

C.52:27D-118.42a State oversight of municipalities in the Transitional Aid to Localities program.

1. a. The Director of the Division of Local Government Services in the Department of Community Affairs shall determine conditions, requirements, orders, and oversight for the receipt of any amount of grants, loans, or any combination thereof, provided to any municipality through the Transitional Aid to Localities program or any successor discretionary aid programs for municipalities in fiscal distress. Conditions, requirements, or orders deemed necessary by the director may include, but not be limited to, the implementation of government, administrative, and operational efficiency and oversight measures necessary for the fiscal recovery of the municipality, including but not limited to requiring approval by the director of personnel actions, professional services and related contracts, payment in lieu of tax agreements, acceptance of grants from State, federal or other organizations, and the creation of new or expanded public services.

b. An additional amount not to exceed one percent of the amount appropriated in any State Fiscal Year beginning on or after July 1, 2012 for the Transitional Aid to Localities program or any successor discretionary aid programs for municipalities in fiscal distress shall be appropriated for administrative costs of that program, and for administrative costs associated with the oversight of any municipalities under State supervision pursuant to Article 4 of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-54 et seq.), subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury.

2. There is appropriated \$139,000,000 from the General Fund to the Department of Community Affairs for Transitional Aid to Localities to be distributed to municipalities during the current State Fiscal Year, subject to the provisions of subsection a. of section 1 of P.L.2011, c.144 (C.52:27D-118.42a) and P.L.2011, c.85.

3. There is appropriated \$1,500,000 from the General Fund to the Department of Community Affairs for administrative costs of the Transitional Aid to Localities program and for administrative costs associated with the oversight of any municipalities under State supervision pursuant to Article 4 of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-54 et seq.), subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury.

4. This act shall take effect immediately.

Approved December 20, 2011.