

**CHAPTER 95**  
**(CORRECTED COPY)**

**AN ACT** concerning local governments and designated as the Division of Local Government Services Modernization and Local Mandate Relief Act of 2015, and amending and repealing various parts of the statutory law.

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

1. N.J.S.18A:8-12 is amended to read as follows:

Petition, hearing relative to effect of proposed separations.

18A:8-12. Within 15 days after the filing of the answers to the petition, the Commissioner of Education shall hold a hearing thereon at the request of any interested party and shall consider the effect of the proposed separation upon the educational and financial condition of both the new and remaining districts on the basis of the allegations of the petition and answers and of any other factors which might have been alleged in the answers as hereinbefore provided.

2. N.J.S.18A:8-13 is amended to read as follows:

Grant or denial of petition.

18A:8-13. Within 60 days after the receipt of the petition and answers, the Commissioner of Education shall grant the application and determine the amount of indebtedness, if any, to be assumed by the remaining and new districts, respectively, or deny the same.

3. N.J.S.18A:8-22 is amended to read as follows:

Title to vest in district board of education.

18A:8-22. Upon the creation of the new district, title to all school grounds and buildings and the furnishings and equipment thereof situate therein shall vest in the board of education of that district, and such board shall thereupon assume such amount of the indebtedness of the original school district as shall have been determined upon by the Commissioner of Education and shall pay to the board of the remaining district, at least five days before the same shall become due, the amount of the principal and interest of the indebtedness so assumed, and said principal and interest shall be paid by the board of the remaining district as and when the same becomes due and payable.

4. Section 6 of P.L.1975, c.360 (C.18A:13-56) is amended to read as follows:

C.18A:13-56 Review of petition; hearing; actions by commissioner.

6. The Commissioner of Education shall review the petition and answers for a determination as to whether or not the petition should be granted, and if so, the amount of indebtedness, if any, to be assumed by the remaining and the new district, or by each of the constituent districts in the event of a dissolution, upon approval of the legal voters pursuant to section 9 of P.L.1975, c.360 (C.18A:13-59) at a special school election. The commissioner shall consider the effect of the proposed withdrawal or dissolution upon the educational and financial condition of the withdrawing and the remaining districts, or upon each of the constituent districts in the event of a dissolution, and shall schedule and hold a public hearing on the petition upon the application of any interested party. In considering the

effect of the proposed withdrawal or dissolution upon the educational and financial condition of the withdrawing and remaining districts, or upon each of the constituent districts in the event of a dissolution, the commissioner shall:

- a. Consent to the granting of the application; or
- b. Oppose the same because, if the same be granted
  1. An excessive debt burden will be imposed upon the remaining districts, or the withdrawing district, or upon any of the constituent districts in the event of a dissolution;
  2. An efficient school system cannot be maintained in the remaining districts or the withdrawing district, or in any of the constituent districts in the event of a dissolution, without excessive costs;
  3. Insufficient pupils will be left in the remaining districts, or in any of the constituent districts in the event of a dissolution, to maintain a properly graded school system; or
  4. Any other reason, which it may deem to be sufficient; or
- c. Request that if the petition be granted, the amount of debt which the remaining districts, or any of the constituent districts in the event of a dissolution, would be required to assume, calculated as hereinbefore provided, be reduced for the reason that--
  1. Such amount of indebtedness, together with all other indebtedness of the municipalities or school districts would be excessive;
  2. The amount of expenditure for debt service which would be required would be so great that sufficient funds would not be available for current expenses without excessive taxation; or
  3. Such amount of indebtedness is inequitable in relation to the value of the property to be acquired by the remaining districts, or by any of the constituent districts in the event of a dissolution, and would materially impair the credit of the municipalities or such districts and the ability to pay punctually the principal and interest of their debt and to supply such essential educational facilities and public improvements and services as might reasonably be anticipated would be required of them.

The commissioner shall make findings and render a determination within 60 days of the receipt of the petition and answers.

5. Section 11 of P.L.1975, c.360 (C.18A:13-61) is amended to read as follows:

C.18A:13-61 Taking title to and control of grounds, buildings and furnishings by districts; assumption of indebtedness.

11. The withdrawing district and the remaining districts, or each constituent district in the event of a dissolution, shall take title to and control of all school grounds and buildings, and the furnishings and equipment therein, other than those which had been rotated or shared among the regional schools, situated in their respective districts on the effective date of withdrawal or dissolution as established by the commissioner. The county superintendent shall allot a fair proportion of the shared or rotated furnishings and equipment to the withdrawing district or to each of the constituent districts in the event of a dissolution.

Upon the assumption of title, each board shall also assume such amount of the indebtedness of the original regional school district as shall have been determined by the commissioner. In the event of a withdrawal, the withdrawing district shall pay to the regional board of education, at least five days before it becomes due, the amount of the principal and interest of the assumed indebtedness; such principal and interest shall be paid by the regional board, together with such amount due on its assumed indebtedness, at and when it becomes due and payable. In the event of a dissolution, the county superintendent

and commissioner, in determining the amount of indebtedness to be assumed by each constituent district, shall give due regard to the value of school buildings and grounds being conveyed to the constituent district in which those buildings and grounds are located.

6. Section 6 of P.L.1989, c.90 (C.18A:13-71) is amended to read as follows:

C.18A:13-71 Review of petition; granting, denial.

6. The Commissioner of Education shall review the petition and answers for a determination as to whether or not the petition should be granted, and if so, the amount of indebtedness, if any, to be assumed by the withdrawing municipality and the all purpose regional district upon approval of the legal voters of the withdrawing municipality and the remaining constituent municipalities at a special school election. The commissioner shall consider the effect of the proposed withdrawal upon the educational and financial condition of the withdrawing municipality and the all purpose regional district and shall schedule and hold a public hearing on the petition upon the application of any interested party. In considering the effect of the proposed withdrawal upon the educational and financial condition of the withdrawing and remaining municipalities, the commissioner shall:

a. Consent to the granting of the application;

b. Oppose the granting of the application because, if it is granted:

(1) An excessive debt burden will be imposed upon the withdrawing municipality and regional district;

(2) An efficient school system cannot be maintained in the all purpose regional district or the withdrawing municipality without excessive costs;

(3) Insufficient pupils will be left in the all purpose regional district to maintain a properly graded school system; or

(4) Any other reason, which it may deem to be sufficient; or

c. Request that if the petition is granted, the amount of debt which the regional district would be required to assume, calculated as hereinbefore provided, be reduced for the reason that:

(1) The amount of indebtedness, together with all other indebtedness of the constituent municipalities of the all purpose regional district would be excessive;

(2) The amount of expenditure for debt service which would be required would be so great that sufficient funds would not be available for current expenses without excessive taxation; or

(3) The amount of indebtedness is inequitable in relation to the value of the property to be acquired by the all purpose regional district and would materially impair the credit of the constituent municipalities of the district, and the ability to pay punctually the principal and interest of their debt and so supply the essential educational facilities and public improvements and services that might reasonably be anticipated would be required of them.

The commissioner shall make findings and render a determination within 60 days of the receipt of the petition and answers.

7. Section 12 of P.L.1989, c.90 (C.18A:13-77) is amended to read as follows:

C.18A:13-77 Title to school grounds, etc.; assumption of indebtedness.

12. The new district and the all purpose regional district shall take title to and control of all school grounds and buildings, and the furnishings and equipment therein, other than those which had been rotated or shared among the regional schools, situated in their respective

districts on the effective date of withdrawal as established by the commissioner. The county superintendent shall allot a fair proportion of the shared or rotated furnishings and equipment to the new district.

Upon the assumption of title, each board shall also assume the amount of the indebtedness of the original all purpose regional district as determined by the commissioner. The new district shall pay to the regional board of education, at least five days before it becomes due, the amount of the principal and interest of the assumed indebtedness. The principal and interest shall be paid by the regional board, together with the amount due on its assumed indebtedness, as and when it becomes due and payable.

8. Section 1 of P.L.1964, c.81 (C.39:10A-1) is amended to read as follows:

C.39:10A-1 Public auction of abandoned motor vehicles; notices required.

1. a. When the State or any county, county park commission, municipality or any authority created by any thereof, hereinafter referred to as a "public agency," shall have taken possession of a motor vehicle found abandoned, such taking of possession shall be reported immediately to

(1) The Chief Administrator of the Motor Vehicle Commission on a form prescribed by the administrator, for verification of ownership and

(2) The National Insurance Crime Bureau.

(3) Upon receipt of verification of ownership of the vehicle from the administrator, the public agency shall within three business days provide notice of possession of the vehicle to the owner of record and the holder of any security interest filed with the administrator by telephone, mail, facsimile or electronically. The public agency may assess the person claiming the vehicle, be it the owner of record or the holder of any security interest, for the actual costs of providing the notice required under this paragraph.

(4) The public agency shall also within three business days notify the person storing the abandoned motor vehicle. The notice shall be given in the same manner as in the case of notification of the owner of record and the security interest holder and shall include the name and address of the owner of record and the holder of any security interest in the stored motor vehicle.

(5) Upon receipt of the notice required by paragraph (4) of this subsection, the person storing the abandoned motor vehicle shall provide notice to the owner of record and to any security interest holder.

(a) The notice shall be by first class mail, with a certificate of mailing, and shall include a schedule of the costs imposed for storing the motor vehicle and instructions explaining how the owner of record or the security interest holder may claim the stored motor vehicle.

(b) Except as provided in subparagraph (c) of this paragraph, if the person storing the motor vehicle fails to provide this notice to the owner of record and to the security interest holder within 30 days of the date on which the storer of the vehicle received the notice required under paragraph (4) from the public agency, the maximum amount that person may charge the owner of record or the security interest holder for storing that motor vehicle shall be \$750, provided that the owner of record or security interest holder submits a proper claim for the vehicle not later than the 30th day following the date the notice is delivered from the public agency to the person storing the motor vehicle.

(c) When a vehicle is abandoned due to the death or incapacitation of the driver or any passenger, the person storing the vehicle shall charge the owner of record or the security

interest holder no more than \$100 for the first 72 hours after the vehicle is placed on the premises.

(d) If the owner of record or security interest holder fails to submit a proper claim for the vehicle on or before that 30th day, the person storing the motor vehicle may charge the security interest holder reasonable costs for the removal and storage of the motor vehicle. If the notice is properly provided by the person storing the motor vehicle, that person may charge the owner of record or the security interest holder reasonable costs for the removal and storage of the motor vehicle from the date the person removed and stored the motor vehicle.

(e) The public agency may assess the person storing the abandoned motor vehicle, and the person storing the abandoned motor vehicle may assess the security interest holder, for the actual costs of providing the notices required under paragraphs (4) and (5) of this subsection.

b. When such motor vehicle which has been ascertained not to be stolen and to be one which can be certified for a junk title certificate under section 3 of P.L.1964, c.81 (C.39:10A-3) shall have remained unclaimed by the owner or other person having a legal right thereto for a period of 15 business days, even if at that time the owner has not been identified as a result of efforts to make identification by the public agency or the Motor Vehicle Commission, the same may be sold at auction in a public place. If the certified motor vehicle is sold at auction prior to identification of the owner, the public agency shall document the condition of the motor vehicle in writing and with photographs prior to the sale; document the amount obtained from the sale of the motor vehicle; and notify the owner, if his name and address are identified after the sale, of the actions taken by the public agency to dispose of the motor vehicle.

c. When a motor vehicle which cannot be certified for a junk title certificate under section 3 of P.L.1964, c.81 (C.39:10A-3) remains unclaimed by the owner or other person having a legal right thereto for a period of 20 business days, the motor vehicle may be sold at auction in a public place, but shall be sold no later than 90 business days after the public agency takes possession of the vehicle.

d. The public agency shall give notice of a sale conducted pursuant to subsection b. or c. of this section, by certified mail, to the owner, if his name and address be known and to the holder of any security interest filed with the administrator, and by publication in a form to be prescribed by the administrator by one insertion, at least five days before the date of the sale, in one or more newspapers published in this State and circulating in the municipality in which such motor vehicle is held.

9. Section 2 of P.L.1998, c.115 (C.40:56-71.2) is amended to read as follows:

C.40:56-71.2 "Downtown business improvement zone" designation.

2. With the exception of a municipality in which an urban enterprise zone has been designated, any municipality which has adopted or adopts an ordinance authorizing the establishment of a special improvement district pursuant to section 7 of P.L.1972, c.134 (C.40:56-71) may, by ordinance, designate all or any portion of that district which contains primarily businesses providing retail goods and services as a "downtown business improvement zone."

10. Section 22 of P.L.1984, c.151 (C.40:56-88) is amended to read as follows:

C.40:56-88 District management corporation; annual audit.

22. The district management corporation shall cause an annual audit of its books, accounts and financial transactions to be made and filed with the governing body of the municipality, and for that purpose the corporation shall employ a certified public accountant of New Jersey. The annual audit shall be completed and filed with the governing body within four months after the close of the fiscal year of the corporation.

11. Section 3 of P.L.1981, c.547 (C.40:68A-43.1) is amended to read as follows:

C.40:68A-43.1 Provisions relative to municipal port authorities.

3. In accordance with rules and regulations which the Local Finance Board is hereby authorized to adopt, municipal port authorities created pursuant to P.L.1960, c.192 (C.40:68A-29 et seq.) are subject to the following provisions:

(a) Every authority shall be required to submit an annual budget to the Director of the Division of Local Government Services in the Department of Community Affairs for approval.

(b) The issuance of any obligations of an authority, agreements regarding municipal guaranties of authority bonds, financing agreements entered into by an authority, and all leases, sales or dispositions of real property made by an authority shall be subject to the approval of the Local Finance Board.

12. N.J.S.40A:2-26 is amended to read as follows:

Maturities of bonds.

40A:2-26. Maturities of all bonds shall be as determined by bond ordinance or by subsequent resolution and within the following limitations:

a. All bonds shall mature within the period or average period of usefulness determined in the bond ordinance.

b. All bonds shall mature in annual installments, the first of which shall be payable not more than one year from the date of the bonds. No annual installment shall exceed by more than 100% the amount of the smallest prior installment.

c. The first installment of bonds to finance a municipal public utility may be made payable not later than the end of the second year's operation, computed from the estimated date of completion, as fixed in the project report submitted pursuant to this chapter.

d. Bonds to finance that part of the cost of a local improvement which is to be assessed on property shall mature in annual installments not exceeding in number the number of annual installments or average thereof fixed in the bond ordinance for the payment of special assessments. The first annual installment of such bonds shall be payable not more than two years from the date of the bonds, and no annual installment shall exceed the amount of the smallest prior installment.

e. A governing body which has concluded that the limitations as to maturities or amounts of annual installments will adversely affect the financial position of the local unit, may make written application to the Local Finance Board setting forth its conclusion and the reasons therefor and the desired maturities or the amounts of annual installments for bonds about to be issued. If the Local Finance Board finds such conclusion to be well founded, it may, by order, fix the maturities or amounts of annual installments of such bonds as desired by the local unit, or fix any such other maturities or amounts of annual installments which the circumstances warrant. Application to the Local Finance Board shall not be required if

the maturities or the amounts of annual installments have been determined by (1) the "New Jersey Environmental Infrastructure Trust," created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), in connection with a loan made by the trust or (2) the State, acting by and through the Department of Environmental Protection, in connection with a loan made by the State, in each case relating to the financing of one or more environmental infrastructure projects as defined in section 3 of P.L.1985, c.334 (C.58:11B-3).

f. The governing body, by resolution, may provide for a single and combined issue of bonds not exceeding the aggregate amount of bonds authorized by two or more bond ordinances. The bonds of such issue shall mature within the average period of usefulness which shall be determined in said resolution, taking into consideration the respective amount of bonds authorized by each of the bond ordinances and the period or average period of usefulness therein determined. The provisions of this chapter applicable to the sale and issuance of a single issue of bonds shall apply to the sale and issuance of such combined issue of bonds.

g. The governing body, by resolution, may allow the adjustment of, or otherwise delegate to a finance officer the authority to adjust, the maturity schedule of the bonds, up to 24 hours prior to the time advertised for the receipt of bids and within 24 hours after the award of bids; provided that no maturity schedule adjustment shall exceed 10% of the principal for any maturity with the aggregate adjustment to maturity not to exceed 10% of the principal for the overall issue. When an adjustment has been made to a maturity schedule previously approved by the Local Finance Board, a copy of the final maturity schedule which meets or complies with the limitations in this subsection shall be filed with the board within 30 days of the sale and shall be conclusively deemed to have been approved by the board.

13. Section 3 of P.L.1976, c.38 (C.40A:3-4) is amended to read as follows:

C.40A:3-4 Issuance of qualified bonds.

4. a. Bonds issued by any municipality pursuant to provisions of this act shall be "qualified bonds" and shall be entitled to the benefit of the provisions of this act.

b. Whenever the governing body of a municipality determines, by passage of a bond ordinance upon first reading, to issue bonds for any lawful purpose, it may file an application and a certified copy of the ordinance as passed on first reading with the Local Finance Board to qualify the bonds pursuant to the provisions of this act. Upon receipt of any such application, the Local Finance Board shall cause an investigation to be made, taking into consideration such factors as the need for the facilities to be financed from the proceeds of such proposed qualified bonds, the ability of the municipality to supply other essential public improvements and services and during the ensuing 10 years to pay punctually the principal and interest on its debts, the reasonableness of the amounts to be expended for each of the purposes or improvements to be financed pursuant to such bonds, and such other factors as the Local Finance Board may deem necessary.

c. If such investigation shows to the satisfaction of the Local Finance Board that such municipality should be entitled to issue qualified bonds pursuant to the provisions of this act, the Local Finance Board may by resolution determine that such municipality is entitled to issue qualified bonds. In considering any ordinance submitted to it and before endorsing its consent thereon, the Local Finance Board may require the governing body of any municipality to adopt resolutions restricting or limiting any future proceedings with respect to the authorization of bonds or other matters deemed by the Local Finance Board to affect any estimate made or to be made by it in accordance with subsection b. of this section.

Every resolution so adopted shall constitute a valid and binding obligation of such municipality running to and enforceable by, and releasable by the Local Finance Board.

d. Within 60 days after the submission to it of an application made in accordance with subsection b. of this section, the Local Finance Board shall cause its consent to be endorsed upon the ordinance authorizing the issuance of qualified bonds, if it shall be satisfied and record by resolution that the municipality is entitled to issue qualified bonds. If the Local Finance Board is not so satisfied, it shall cause its disapproval to be endorsed upon such ordinance within said period of 60 days.

e. If the governing body of a municipality shall determine by resolution that a maturity schedule for its qualified bonds, other than the maturity schedule approved by the Local Finance Board pursuant to subsection c. of this section, is in the best interest of said municipality, it may make application to the Local Finance Board setting forth such belief and the grounds therefor and requesting approval of a schedule of maturities for such qualified bonds set forth in the application. Within 60 days after submission to the Local Finance Board of such application, the Local Finance Board shall cause its approval to be endorsed thereon if it shall be satisfied, and shall record by resolution its findings, that the belief set forth in such application is well founded and that the issuance of the bonds pursuant to the revised maturity schedule in such application would not materially impair the credit of the municipality or substantially reduce its ability, during the ensuing 10 years, to pay punctually the principal of and interest on its debts and supply essential public improvements and services. If the Local Finance Board is not so satisfied, it shall cause its disapproval to be endorsed on such copy within said period of 60 days.

f. A municipality that has issued qualified bonds shall not be required to obtain the approval of the Local Finance Board prior to issuing any other bonds solely by reason of having previously issued qualified bonds, unless such approval is otherwise required by law.

14. N.J.S.40A:4-8 is amended to read as follows:

Public hearing; time and place.

40A:4-8. The public hearing shall be held at the time and place specified in the advertisement thereof, but may be adjourned from time to time until the hearing is closed.

The budget shall be read, at the public hearing in full, or it may be read by its title, if

1. At least one week prior to the date of the hearing and at the hearing, a complete copy of the approved budget,

a. shall be made available for public inspection, and

b. shall be made available to each person upon request, and

2. The governing body shall, by resolution passed by not less than a majority of the full membership, determine that the budget shall be read by its title and declare that the conditions set forth in subsection 1. of this section have been met.

After closing the hearing, the governing body may adopt the budget, by title without amendments, or may approve amendments as provided in N.J.S.40A:4-9 before adoption.

15. N.J.S.40A:4-10 is amended to read as follows:

Adoption of budget; public inspection.

40A:4-10. No budget or amendment thereof shall be adopted unless the director shall have previously certified his approval thereof. Final adoption shall be by resolution adopted by a majority of the full membership of the governing body, and may be by title where the

procedures required by N.J.S.40A:4-8 and N.J.S.40A:4-9 or section 12 of P.L.1995, c.259 (C.40A:4-6.1), as applicable, have been followed.

The budget shall be adopted in the case of a county not later than February 25, and in the case of a municipality not later than March 20 of the calendar fiscal year or September 20 of the State fiscal year, except that the governing body may adopt the budget at any time within 10 days after the director shall have certified his approval thereof and returned the same, if such certification shall be later than the date of the advertised hearing.

If, in the case of a municipality which operates on the State fiscal year, the governing body fails to adopt the budget within the permitted time, the chief financial officer of the local unit shall so notify the director the next working day after the expiration of the permitted time.

Copies of the budget, as adopted, in such form and in such quantity as determined by the Local Finance Board, shall be transmitted to the director within three days after adoption.

Upon adoption, the budget shall constitute an appropriation for the purposes stated therein and an authorization of the amount to be raised by taxation for the purposes of the local unit.

The adopted budget shall be provided for public inspection on the local unit's website, if one exists, or, if one does not exist, the budget shall be provided for public inspection on the website of the Department of Community Affairs, and made available online and in print as required by this section in a "user-friendly" summary format using plain language. In addition to the current year adopted budget, the local unit's adopted budgets of the immediately preceding three budget years also shall be provided for public inspection on the local unit's website, if one exists, or, if one does not exist, those budgets also shall be provided for public inspection on the website of the Department of Community Affairs. Any adopted budget posted online pursuant to this section shall remain posted online for the duration of the local budget year. The Local Finance Board shall promulgate a "user-friendly," plain language summary format for use by local units for this purpose pursuant to section 39 of P.L.2007, c.63 (C.40A:5-48).

16. Section 8 of P.L.1977, c.396 (C.40A:5-15.1) is amended to read as follows:

C.40A:5-15.1 Securities which may be purchased by local units.

8. Securities which may be purchased by local units.

a. When authorized by a cash management plan approved pursuant to N.J.S.40A:5-14, any local unit may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the local unit:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L.1977, c.281 (C.52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a.;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

c. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

d. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

e. For the purposes of this section:

(1) a "government money market mutual fund" means an investment company or investment trust:

(a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. s.80a-1 et seq., and operated in accordance with 17 C.F.R. s.270.2a-7;

(b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a. of this section; and

(c) which is rated by a nationally recognized statistical rating organization.

(2) a "local government investment pool" means an investment pool:

(a) which is managed in accordance with 17 C.F.R. s.270.2a-7;

(b) which is rated in the highest category by a nationally recognized statistical rating organization;

(c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a. of this section;

(d) which is in compliance with rules adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

(e) which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and

(f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

f. Investments in, or deposits or purchases of financial instruments made pursuant to this section shall not be subject to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

17. Section 6 of P.L.1983, c.313 (C.40A:5A-6) is amended to read as follows:

C.40A:5A-6 Review of financing.

6. Prior to the adoption of a bond resolution by an authority, or the adoption of an ordinance or resolution of a local unit or units authorizing a service contract that is part of a project financing, the proposed project financing shall be submitted to the Local Finance Board for its review. The Local Finance Board may adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to permit project financing to proceed without such application and review if the project financing is a refunding that will result in debt service savings on outstanding bond debt. The Local Finance Board shall, in the course of its review, give consideration to:

- a. The nature, purpose, and scope of the proposed project financing;
- b. The engineering and feasibility studies prepared in connection therewith;
- c. The terms and provisions of the proposed service contracts, bond resolutions and, in the instance of a negotiated offering, the proposed or maximum terms and conditions of sale;
- d. An estimate of the proposed or maximum schedule of debt service payments required, and the impact thereof on the budget and financial condition of the authority and of the local unit;
- e. The estimate of the annual cost of operating and maintaining the project as set forth in the engineering report or feasibility studies; and
- f. The initial rate, rent, fee, or charge schedule proposed by the authority, or any other proposed method of raising the amounts required to finance the operations and payments of debt service on the obligations of the authority.

The Local Finance Board may examine the estimates, computations or calculations made in connection with the submission, may require the production of papers, documents,

witnesses or information, may make or cause to be made an audit or investigation and may take any other action which it may deem necessary to its review of the submission.

18. Section 10 of P.L.1983, c.313 (C.40A:5A-10) is amended to read as follows:

C.40A:5A-10 Submission of budget.

10. a. Each authority shall submit a budget for each fiscal year to the director prior to its adoption thereof. The budget shall comply with the terms and provisions of any bond resolutions, and shall be in such form and detail as to items of revenue, expenditure and other content as shall be required by law or by rules and regulations of the Local Finance Board.

b. The Local Finance Board shall prescribe by rule or regulation the procedure for the adoption of budgets by authorities. The rules and regulations may include or be similar to any provisions of the "Local Budget Law" (N.J.S.40A:4-1 et seq.) which the Local Finance Board shall deem to be practicable or necessary, and may further include any other provisions and requirements which the Local Finance Board shall deem appropriate or necessary. The rules and regulations shall provide for approval or disapproval of a budget within 45 days of the director's receipt thereof.

c. The Local Finance Board shall also prescribe by rule or regulation the procedures and requirements for execution of any budget after adoption, and for the administration of financial affairs of authorities. The rules and regulations may include, without limitation, any provisions of the "Local Budget Law" (N.J.S.40A:4-1 et seq.), and the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et seq.), which the Local Finance Board shall deem to be practicable and necessary.

d. Notwithstanding the provisions of subsection a. of this section and N.J.S.40A:5A-11, the Local Finance Board is authorized to adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to exempt certain authorities from the requirement that the director approve their annual budgets and to provide instead for a system of local examination and approval of such budgets by authority officials, provided that:

(1) the director finds that such authorities are fiscally sound and that their fiscal practices are conducted in accordance with law and sound administrative practice;

(2) the director shall examine the budgets of such authorities in accordance with the provisions of this section and N.J.S.40A:5A-11, at least every third year;

(3) the governing body and chief financial officer of each such authority shall each file a certification with the director stating that, with reference to the adopted budget of the authority, they have:

(a) examined the budget in the manner prescribed under this section and N.J.S.40A:5A-11, and determined that the budget complies with requirements set forth therein; and

(b) determined that the budget complies with all other provisions of law, including, but not limited to, the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), and the regulations of the Local Finance Board;

(4) all budget documents required by law or the regulations adopted by the Local Finance Board shall be filed with the director on a timely basis;

(5) other criteria and responsibilities as established by the regulations adopted by the Local Finance Board are met.

The director shall act to require immediate compliance with the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), if the director finds that any such

exemption impairs the fiscal integrity or solvency of any such authority. Any appeal of a governing body's action in adopting an annual budget shall be made to the director.

19. Section 11 of P.L.1983, c.313 (C.40A:5A-11) is amended to read as follows:

C.40A:5A-11 Approval of budget.

11. No authority budget subject to the provisions of subsection a. of section 10 of P.L.1983, c.313 (C.40A:5A-10) shall be finally adopted until the director shall have approved same. In granting the approval, the director shall consider whether or not:

- a. All estimates of revenue are reasonable, accurate and correctly stated;
- b. Items of appropriation are properly set forth;
- c. In itemization, form and content, the budget will permit the exercise of the comptroller function within the authority;
- d. The schedule of rates, fees and charges then in effect will produce sufficient revenues, together with all other anticipated revenues, to satisfy all obligations to the holders of bonds of the authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements.

The director may require such documentation, records and other information, and undertake any audit or investigation, as he may deem necessary in connection with his review.

If the director finds that all requirements of law and the rules and regulations of the Local Finance Board have been met, he shall, within 45 days of his receipt of the budget, approve it; otherwise he shall within that time refuse to approve it. The director, in refusing to approve the budget, shall not substitute his discretion with respect to the amount of an appropriation when that amount is not made mandatory by law or regulation.

Any decision of the director in the course of budget review under this section may be appealed to the Local Finance Board in the manner generally provided by law.

20. Section 17 of P.L.1983, c.313 (C.40A:5A-17) is amended to read as follows:

C.40A:5A-17 Certification of review of audit.

17. The members of the governing body of each authority shall, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled Schedule of Findings and Questioned Costs and General Comments and Recommendations, and has evidenced same by group affidavit signed by a majority of the full membership of the authority in the form prescribed by the Local Finance Board. Failure to comply with this provision may subject the members of the authority to the penalty provisions of section 52 of P.L.1947, c.151 (C.52:27BB-52).

21. Section 3 of P.L.1991, c.29 (C.40A:9-22.3) is amended to read as follows:

C.40A:9-22.3 Definitions.

3. As used in this act:
  - a. "Board" means the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs;

b. "Business organization" means any corporation, partnership, firm, enterprise, franchise, association, trust, sole proprietorship, union or other legal entity;

c. "Governing body" means, in the case of a municipality, the commission, council, board or body, by whatever name it may be known, having charge of the finances of the municipality, and, in the case of a county, the board of chosen freeholders, or, in the case of a county having adopted the provisions of the "Optional County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), as defined in the form of government adopted by the county under that act;

d. "Interest" means the ownership or control of more than 10% of the profits, assets or stock of a business organization but shall not include the control of assets in a nonprofit entity or labor union;

e. "Local government agency" means any agency, board, governing body, including the chief executive officer, bureau, division, office, commission or other instrumentality within a county or municipality, and any independent local authority, including any entity created by more than one county or municipality, which performs functions other than of a purely advisory nature, but shall not include a school board;

f. "Local government employee" means any person, whether compensated or not, whether part-time or full-time, employed by or serving on a local government agency who is not a local government officer, but shall not mean any employee of a school district;

g. "Local government officer" means any person whether compensated or not, whether part-time or full-time: (1) elected to any office of a local government agency; (2) serving on a local government agency which has the authority to enact ordinances, approve development applications or grant zoning variances; (3) who is a member of an independent municipal, county or regional authority; or (4) who is a managerial executive employee of a local government agency, as defined in rules and regulations adopted by the Director of the Division of Local Government Services in the Department of Community Affairs pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), but shall not mean any employee of a school district or member of a school board;

h. "Local government officer or employee" means a local government officer or a local government employee;

i. "Member of immediate family" means the spouse or dependent child of a local government officer or employee residing in the same household.

22. Section 6 of P.L.1991, c.29 (C.40A:9-22.6) is amended to read as follows:

C.40A:9-22.6 Annual financial disclosure statement.

6. a. Local government officers shall annually file a financial disclosure statement. All financial disclosure statements filed pursuant to P.L.1991, c.29 shall include the following information which shall specify, where applicable, the name and address of each source and the local government officer's job title:

(1) Each source of income, earned or unearned, exceeding \$2,000 received by the local government officer or a member of his immediate family during the preceding calendar year. Individual client fees, customer receipts or commissions on transactions received through a business organization need not be separately reported as sources of income. If a publicly traded security is the source of income, the security need not be reported unless the local government officer or member of his immediate family has an interest in the business organization;

(2) Each source of fees and honorariums having an aggregate amount exceeding \$250 from any single source for personal appearances, speeches or writings received by the local government officer or a member of his immediate family during the preceding calendar year;

(3) Each source of gifts, reimbursements or prepaid expenses having an aggregate value exceeding \$400 from any single source, excluding relatives, received by the local government officer or a member of his immediate family during the preceding calendar year;

(4) The name and address of all business organizations in which the local government officer or a member of his immediate family had an interest during the preceding calendar year; and

(5) The address and brief description of all real property in the State in which the local government officer or a member of his immediate family held an interest during the preceding calendar year.

b. The Local Finance Board shall prescribe a financial disclosure statement form for filing purposes. For counties and municipalities which have not established ethics boards, the board shall transmit sufficient copies of the forms to the municipal clerk in each municipality and the county clerk in each county for filing in accordance with this act. The municipal clerk shall make the forms available to the local government officers serving the municipality. The county clerk shall make the forms available to the local government officers serving the county.

For counties and municipalities which have established ethics boards, the Local Finance Board shall transmit sufficient copies of the forms to the ethics boards for filing in accordance with this act. The ethics boards shall make the forms available to the local government officers within their jurisdiction.

For local government officers serving the municipality, the original statement shall be filed with the municipal clerk in the municipality in which the local government officer serves. For local government officers serving the county, the original statement shall be filed with the county clerk in the county in which the local government officer serves. A copy of the statement shall be filed with the board. In counties or municipalities which have established ethics boards a copy of the statement shall also be filed with the ethics board having jurisdiction over the local government officer. Local government officers shall file the initial financial disclosure statement within 90 days following the effective date of this act. Thereafter, statements shall be filed on or before April 30th each year, except that each local government officer shall file a financial disclosure statement within 30 days of taking office.

c. All financial disclosure statements filed shall be public records.

d. The Division of Local Government Services in the Department of Community Affairs may establish an electronic filing system for financial disclosure statements required to be filed pursuant to this section.

23. Section 5 of P.L.1988, c.110 (C.40A:9-140.10) is amended to read as follows:

C.40A:9-140.10 Municipality required to have chief financial officer; exceptions.

5. a. Notwithstanding the provisions of any law to the contrary, in every municipality there shall be a chief financial officer appointed by the governing body of the municipality. The requirement that every municipality shall have a chief financial officer may be fulfilled by the sharing of a chief financial officer with another municipality or municipalities under a shared service agreement entered into pursuant to the provisions of P.L.2007, c.63 (C.40A:65-1 et seq.). Any such shared service agreement shall be subject to the provisions

of section 4 of P.L.2007, c.63 (C.40A:65-4) and, with respect to pilot municipalities, section 3 of P.L.2013, c.166 (C.40A:65-4.2). The term of office shall be four years, which shall run from January 1 in the year in which the chief financial officer is appointed. The compensation for the chief financial officer shall be separately set forth in a municipal salary ordinance.

If a governing body fails or refuses to comply with this section, and has received an order from the director to do so, the members of a governing body who willfully fail or refuse to comply shall each be subject to a personal penalty of \$25 for each day after the date fixed for final action that failure or refusal to comply continues. The amount of the penalty may be recovered by the director in the name of the State as a personal debt of the member of the governing body, and shall be paid, upon receipt, into the State Treasury.

In the case of a pilot municipality, a tenured chief financial officer may be dismissed to effectuate the sharing of a service entered into pursuant to the provisions of P.L.2007, c.63 (C.40A:65-1 et seq.) and such dismissal shall be deemed to be in the interest of the economy or efficiency of the participants in the shared service agreement. The removal of a chief financial officer under this section shall not require the pilot municipality to fulfill the requirements of section 2 of P.L.1977, c.39 (C.40A:9-140.8). Instead, the pilot municipality shall provide the chief financial officer with a written copy of the shared service agreement entered into by the pilot municipality, and a letter stating that the position of chief financial officer in the pilot municipality is being eliminated for reasons of economy or efficiency as the result of the shared service agreement.

b. The requirement that every municipality shall have a chief financial officer may be temporarily fulfilled by the appointment of a private entity to perform the duties of a chief financial officer. A municipality shall not appoint a private entity to fulfill the duties of a chief financial officer for more than two consecutive one-year terms. A municipality shall not make such appointment or reappointment unless approved by the Director of the Division of Local Government Services in the Department of Community Affairs. Such approval shall only be granted if the municipality demonstrates that it has made a good faith effort to hire an individual who holds a municipal finance officer certificate issued pursuant to the provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.). The term of office of a private entity appointed pursuant to this subsection shall not exceed two consecutive years. Any work performed by such private entity on behalf of the municipality shall be supervised by at least one employee who holds a municipal finance officer certificate issued pursuant to the provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.). Any documents requiring signature of the chief financial officer of the municipality shall be executed on behalf of the private entity by an employee holding a municipal finance officer certificate.

24. Section 8 of P.L.1988, c.110 (C.40A:9-140.13) is amended to read as follows:

C.40A:9-140.13 Municipal finance officer certificate required; tenure; vacancies.

8. a. Commencing January 1, 1991, no person shall be appointed or reappointed as a chief financial officer unless he holds a municipal finance officer certificate issued pursuant to the provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.) or P.L.1988, c.110.

b. Any person who has, on or before the effective date of P.L.1988, c.110 been granted tenure pursuant to the provisions of section 2 of P.L.1977, c.39 (C.40A:9-140.8) or the provisions of N.J.S.40A:9-152, may continue to serve in his current position and shall not be removed from office or denied reappointment except for just cause and then only after a

public hearing conducted pursuant to sections 2 and 3 of P.L.1977, c.39 (C.40A:9-140.8 and C.40A:9-140.9).

c. Any certified municipal finance officer who has been appointed as the chief financial officer of a municipality pursuant to section 5 of P.L.1988, c.110 (C.40A:9-140.10) subsequent to the effective date of P.L.1988, c.110 and who thereafter filed with the clerk of that municipality and with the Division of Local Government Services in the Department of Community Affairs a notification that he had complied with the requirements of section 2 of P.L.1977, c.39 (C.40A:9-140.8) shall be considered to have been granted tenure and shall accordingly be entitled to the protections set forth in subsection b. of section 2 of P.L.1977, c.39 (C.40A:9-140.8).

d. Notwithstanding the provisions of any other law to the contrary, any person who has served as a municipal finance officer in the same municipality for a period of not less than five consecutive years while holding a municipal finance officer certificate issued in accordance with P.L.1971, c.413 (C.40A:9-140.1 et seq.), and who thereafter is appointed as the chief financial officer of that municipality, shall be granted tenure of office upon the filing with the clerk of the municipality and the Director of the Division of Local Government Services in the Department of Community Affairs a notification evidencing his compliance with this section.

e. A municipal finance officer who has held office continuously for five consecutive years in the same municipality may continue to serve in his current position and shall not be removed from office or denied reappointment for failure to qualify as a certified municipal finance officer pursuant to provisions of P.L.1971, c.413 (C.40A:9-140.1 et seq.) or P.L.1988, c.110. However, any such individual shall not be entitled to be appointed as the chief financial officer of that municipality unless he possesses a municipal finance officer certificate.

f. When a vacancy occurs in the office of chief financial officer following the appointment of a certified municipal finance officer to that office, the governing body or chief executive officer, as appropriate, may appoint, for a period not to exceed one year and commencing on the date of the vacancy, a person who does not hold a municipal finance officer certificate to serve as a temporary chief financial officer. Any person so appointed may, with the approval of the director, be reappointed as chief financial officer following the termination of the temporary appointment for up to two additional one-year terms. No local unit shall have a temporary chief financial officer for more than three consecutive years. Time served as a temporary chief financial officer shall not count as time served as a chief financial officer for the purpose of acquiring tenure pursuant to subsection a. of section 2 of P.L.1977, c.39 (C.40A:9-140.8) or subsection d. of this section.

g. Upon application by a municipal governing body to the director, an individual without a municipal finance officer certificate may, with the approval of the director, be appointed to serve as the chief financial officer in a municipality in which he is presently employed if that individual meets all of the requirements established under subsection a. of section 2 of P.L.1971, c.413 (C.40A:9-140.2) and further has completed four of the seven training courses identified in subsection b. of section 2 of P.L.1971, c.413 (C.40A:9-140.2), at least two of which shall be accounting courses. If any individual appointed as a chief financial officer pursuant to this subsection fails to obtain a municipal finance officer certificate prior to January 1, 1992, his appointment as chief financial officer shall lapse and the municipal governing body shall appoint a certified municipal finance officer as the municipality's chief financial officer.

25. Section 1 of P.L.1999, c.440 (C.40A:11-4.1) is amended to read as follows:

C.40A:11-4.1 Purposes for which competitive contracting may be used by local units.

1. Notwithstanding the provisions of any law, rule or regulation to the contrary, competitive contracting may be used by local contracting units in lieu of public bidding for procurement of specialized goods and services the price of which exceeds the bid threshold, for the following purposes:

a. The purchase or licensing of proprietary computer software designed for contracting unit purposes, which may include hardware intended for use with the proprietary software. This subsection shall not be utilized for the purpose of acquiring general purpose computer hardware or software;

b. The hiring of a for-profit entity or a not-for-profit entity incorporated under Title 15A of the New Jersey Statutes for the purpose of:

(1) the operation and management of a wastewater treatment system or a water supply or distribution facility of the type described in subsection (37) of section 15 of P.L.1971, c.198 (C.40A:11-15), provided that competitive contracting shall not be used as a means of awarding contracts pursuant to P.L.1985, c.37 (C.58:26-1 et al.) and P.L.1985, c.72 (C.58:27-1 et al.);

(2) the operation, management or administration of recreation or social service facilities or programs, which shall not include the administration of benefits under the Work First New Jersey program established pursuant to P.L.1997, c.38 (C.44:10-55 et seq.), or under General Assistance; or

(3) the operation, management or administration of data processing services;

c. (Deleted by amendment, P.L.2009, c.4).

d. Homemaker--home health services;

e. Laboratory testing services;

f. Emergency medical services;

g. Contracted food services;

h. Performance of patient care services by contracted medical staff at county hospitals, correctional facilities and long-term care facilities;

i. At the option of the governing body of the contracting unit, any good or service that is exempt from bidding pursuant to section 5 of P.L.1971, c.198 (C.40A:11-5);

j. Concessions;

k. The operation, management or administration of other services, with the approval of the Director of the Division of Local Government Services;

l. Maintenance, custodial, and groundskeeping services;

m. Consulting services;

n. Emergency medical billing services;

o. Property appraisal services;

p. Reassessment or revaluation services;

q. Grant writing services;

r. Animal control services.

Any purpose included herein shall not be considered by a contracting unit as an extraordinary unspecifiable service pursuant to subparagraph (ii) of paragraph (a) of subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5).

26. Section 4 of P.L.2001, c.310 (C.40A:12A-67) is amended to read as follows:

C.40A:12A-67 Issuance of bonds by municipality.

4. a. The municipality may issue bonds itself in the manner provided for herein or pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) or may apply to the authority to issue bonds, regardless of whether the redevelopment project is undertaken under municipal authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State entity redeveloper pursuant to a State entity redevelopment agreement, which in any case may be secured by payments in lieu of taxes or special assessments or both or a portion thereof, by the adoption of a resolution or ordinance, as applicable, of the governing body of the municipality, authority or State entity to that effect.

b. A municipality that has designated a redevelopment area or in which a redevelopment project is undertaken by a State entity redeveloper pursuant to a State entity redevelopment agreement may, by resolution of its governing body, if it determines to issue bonds through the authority, enter into contracts with the authority relating to that redevelopment project, or to act as a redeveloper or to finance or refinance a redevelopment project undertaken by a State entity redeveloper pursuant to a State entity redevelopment agreement within a redevelopment area. A resolution so adopted shall contain findings and determinations of the governing body: (1) that all or a portion of the redevelopment project undertaken within the municipality will result in the redevelopment of the municipality; and, (2) that the contract with the authority or, to the extent applicable, the financial agreement with the State entity redeveloper, is a necessary or important inducement to the undertaking of the project or the redevelopment project undertaken by the State entity redeveloper in that it makes the financing thereof feasible. The contract or contracts, or the terms of any bonds issued directly by a municipality may provide for the assignment, for the benefit of bondholders, of all or any portion of payments in lieu of taxes, or special assessments, or both. A contract may be made and entered into for a term beginning currently or at some future or contingent date, and with or without consideration, and for a specified or unlimited time, and on any terms and conditions which may be requested by the municipality and, to the extent applicable, the State entity redeveloper, and, if applicable, as may be agreed to by the authority and, to the extent applicable, the State entity redeveloper, in conformity with its contracts with the holders of bonds, and shall be valid and binding on the municipality. The municipality is hereby authorized and directed to do and perform any contract so entered into by it and to provide for the discharge of any obligation thereunder in the same manner as other obligations of the municipality.

Any contract, and any instrument making or evidencing the same, may be pledged or assigned by the authority, with the consent of the municipality executing the contract, and, to the extent applicable, the consent of the State entity redeveloper, to secure its bonds and thereafter may not be modified except as provided by the terms of the instrument or by the terms of the pledge or assignment.

The municipality may include in the terms of a bond or contract, including a financial agreement, a provision that the payments in lieu of taxes or special assessments shall constitute a municipal charge for the purposes of R.S.54:4-66.

c. The payments in lieu of taxes or special assessments, or both, may be assigned directly by the municipality or the authority or the trustee for the bonds as payment or security for the bonds. Notwithstanding any law to the contrary, the assignment shall be an absolute assignment of all the municipality's right, title, and interest in the payment in lieu of taxes or special assessments, or both, or portion thereof, along with the rights and remedies provided to the municipality under the agreement including, but not limited to, the right of collection of payments due. Payments in lieu of taxes and special assessments assigned as provided hereunder shall not be included in the general funds of the municipality, nor shall

they be subject to any laws regarding the receipt, deposit, investment or appropriation of public funds and shall retain such status notwithstanding enforcement of the payment or assessment by the municipality or assignee as provided herein. The municipality shall be a "person" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this section shall be a "project" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

d. Notwithstanding the provisions of subsection g. of section 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to this section may be issued as non-recourse obligations, and unless otherwise provided for by a separate action of the municipality to guarantee such bonds or otherwise provide for a pledge of the municipality's full faith and credit shall not, except for such action, be considered to be direct and general obligations of the municipality, and, absent such action, the municipality shall not be obligated to levy and collect a tax sufficient in an amount to pay the principal and interest on the bonds when the same become due and payable. The provisions of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to any bonds issued or authorized pursuant to this section and those bonds shall not be considered gross debt of the municipality on any debt statement filed in accordance with the "Local Bond Law," N.J.S.40A:2-1 et seq., and the provisions of chapter 27 of Title 52 of the Revised Statutes shall not apply to such bonds.

e. The proceeds from the sale of bonds and any funds provided by any department of the State, authority created by the State or bi-state authority for the purposes described in the "Redevelopment Area Bond Financing Law," sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or for the purpose of financing or refinancing a redevelopment project pursuant to a State entity redevelopment agreement, shall not require compliance with public bidding laws, including the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the redeveloper or State entity redeveloper, as the case may be, shall undertake the redevelopment project. The use of these funds shall be subject to public accountability and oversight by the issuer of those bonds, regardless of whether the municipality, agency or authority provides the funds.

f. In order to provide additional security for any loan to a redeveloper or a State entity redeveloper, as the case may be, or to bonds issued to finance a redevelopment project, regardless of whether that redevelopment project is undertaken under municipal authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State entity redeveloper pursuant to a State entity redevelopment agreement, the municipality may utilize powers otherwise provided by law, including the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension of the municipality's credit to any redeveloper or State entity redeveloper, as the case may be, or its full faith and credit which may include a full faith and credit lease as security for the bonds or any loan to a redeveloper or State entity redeveloper, as the case may be. To the extent that the municipality provides for a full faith and credit guarantee of any loan to a redeveloper or State entity redeveloper, as the case may be, or any bonds, but determines not to authorize the issuance of bonds or notes to provide for the funding source thereof, or otherwise determines to enter into a full faith and credit lease, it may do so by an ordinance introduced, adopted, and published in accordance with the provisions of N.J.S.40A:2-17 and N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the first publication of the ordinance or of a summary thereof after final adoption. To the extent that bonds or notes are authorized as provided above, such bonds or notes shall be authorized pursuant to the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and shall be deductible from the gross debt of the municipality until

such time as such bonds or notes are actually issued, and only up to the amount actually issued, to fund such guarantee.

g. A financial instrument, whether issued by a municipality or an authority, that is secured in whole or in part by payments in lieu of taxes or by special assessments, or both, as provided herein shall be subject to the review and approval of the board. That review and approval shall be made prior to approval of, in the case of a municipality, an introduced ordinance or, in the case of an authority, a resolution. The board shall be entitled to receive from the applicant an amount sufficient to provide for all reasonable professional and other fees and expenses incurred by it for the review, analysis and determination with respect thereto. As part of its review, the board shall specifically solicit comments from the Office of State Planning and the New Jersey Economic Development Authority in addition to comments from the public. The Office of State Planning shall provide comments on whether the redevelopment project or plan promotes congestion reduction, enhanced mobility, further redevelopment, and otherwise improves the quality of life of residents. As part of the board's review and approval, it shall consider the comments submitted and whether the issuance of the redevelopment area bond will adversely impact the financial stability of the municipality or service area of the authority.

h. A municipality that has assigned any portion of the payments in lieu of taxes it receives pursuant to a financial agreement, as payment or security for bonds, may also pledge a portion of those payments in lieu of taxes as payment or security for bonds in order to finance or refinance any cost or expense of the municipality, State entity or authority.

i. In the case of a municipality which is otherwise subject to tax or revenue sharing pursuant to law and which assigns a portion of the payments in lieu of taxes or special assessments pursuant to a financial agreement to secure bonds issued by the municipality or the authority, the assigned portion of those payments in lieu of taxes or special assessments shall not be considered part of the tax or revenue sharing formula or calculation of municipal revenues for the purpose of determining whether that municipality is obligated to make payment to, or receive a credit from, any tax sharing or revenue sharing pool.

27. N.J.S.40A:14-34 is amended to read as follows:

Municipal appropriations to fire companies.

40A:14-34. The governing body of any municipality may raise and appropriate funds to be granted to the boards of fire commissioners of any fire district or volunteer fire companies located therein, up to a total annual appropriation of \$150,000, which shall be adjusted biennially for inflation by the Director of the Division of Local Government Services in the Department of Community Affairs in accordance with the cost-of-living adjustment promulgated pursuant to section 4 of P.L.1983, c.49 (C.40A:4-45.1a). In any municipality in which there are more than three such boards or companies, or both, the governing body may raise and appropriate an additional \$50,000 annually for each such additional board or company. Any such board or company shall use not less than 50% of the funds received pursuant to this section for the purchase of fire equipment, materials and supplies. All funds appropriated under this section shall be accounted for to the governing body annually.

Any municipality may appropriate such additional sums as it may deem necessary for the purchase of fire equipment, supplies and materials for use by fire companies or boards, the title to which shall remain with the municipality, provided that the funds shall be controlled and disbursed by the municipality. In the case of a joint purchase made by the governing bodies of two or more municipalities pursuant to the provisions of the "Consolidated

Municipal Service Act," P.L.1952, c.72 (C.40:48B-1 et seq.), the title to the purchase shall be held by the joint meeting formed by the contracting governing bodies.

28. Section 9 of P.L.1991, c.431 (C.40A:20-9) is amended to read as follows:

C.40A:20-9 Financial agreement for approved projects, form and contents of contracts.

9. Every approved project shall be evidenced by a financial agreement between the municipality and the urban renewal entity. The agreement shall be prepared by the entity and submitted as a separate part of its application for project approval. The agreement shall not take effect until approved by ordinance of the municipality. Any amendments or modifications of the agreement made thereafter shall be by mutual consent of the municipality and the urban renewal entity, and shall be subject to approval by ordinance of the municipal governing body upon recommendation of the mayor or other chief executive officer of the municipality prior to taking effect.

The financial agreement shall be in the form of a contract requiring full performance within 30 years from the date of completion of the project, and shall include the following:

a. That the profits of or dividends payable by the urban renewal entity shall be limited according to terms appropriate for the type of entity in conformance with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

b. That all improvements and land, to the extent authorized pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12), in the project to be constructed or acquired by the urban renewal entity shall be exempt from taxation as provided in P.L.1991, c.431 (C.40A:20-1 et seq.).

c. That the urban renewal entity shall make payments for municipal services as provided in P.L.1991, c.431 (C.40A:20-1 et seq.).

d. That the urban renewal entity shall submit annually, within 90 days after the close of its fiscal year, its auditor's reports to the mayor and governing body of the municipality.

e. That the urban renewal entity shall, upon request, permit inspection of property, equipment, buildings and other facilities of the entity, and also permit examination and audit of its books, contracts, records, documents and papers by authorized representatives of the municipality or the State.

f. That in the event of any dispute between the parties matters in controversy shall be resolved by arbitration in the manner provided in the financial agreement.

g. That operation under the financial agreement shall be terminable by the urban renewal entity in the manner provided by P.L.1991, c.431 (C.40A:20-1 et seq.).

h. That the urban renewal entity shall at all times prior to the expiration or other termination of the financial agreement remain bound by the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

The financial agreement shall contain detailed representations and covenants by the urban renewal entity as to the manner in which it proposes to use, manage or operate the project. The financial agreement shall further set forth the method for computing gross revenue for the urban renewal entity, the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, the plans for financing the project, including the estimated total project cost, the amortization rate on the total project cost, the source of funds, the interest rates to be paid on the construction financing, the source and amount of paid-in capital, the terms of mortgage amortization or payment of principal on any mortgage, a good faith projection of initial sales prices of any condominium units and expenses to be incurred in promoting and consummating such sales, and the rental

schedules and lease terms to be used in the project. Any financial agreement may allow the municipality to levy an annual administrative fee, not to exceed two percent of the annual service charge.

29. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to read as follows:

C.40A:20-12 Tax exemption, duration; annual service charges.

12. The rehabilitation or improvements made in the development or redevelopment of a redevelopment area or area appurtenant thereto or for a redevelopment relocation housing project, pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from taxation for a limited period as hereinafter provided. When housing is to be constructed, acquired or rehabilitated by an urban renewal entity, the land upon which that housing is situated shall be exempt from taxation for a limited period as hereinafter provided. The exemption shall be allowed when the clerk of the municipality wherein the property is situated shall certify to the municipal tax assessor that a financial agreement with an urban renewal entity for the development or the redevelopment of the property, or the provision of a redevelopment relocation housing project, or the provision of a low and moderate income housing project has been entered into and is in effect as required by P.L.1991, c.431 (C.40A:20-1 et seq.).

Delivery by the municipal clerk to the municipal tax assessor of a certified copy of the ordinance of the governing body approving the tax exemption and financial agreement with the urban renewal entity shall constitute the required certification. For each exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.), upon certification as required hereunder, the tax assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of the financial agreement or until the tax assessor has been duly notified by the clerk that the exemption has been terminated.

Whenever an exemption status changes during a tax year, the procedure for the apportionment of the taxes for the year shall be the same as in the case of other changes in tax exemption status during the tax year. Tax exemptions granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et al.) represent long term financial agreements between the municipality and the urban renewal entity and as such constitute a single continuing exemption from local property taxation for the duration of the financial agreement. The validity of a financial agreement or any exemption granted pursuant thereto may be challenged only by filing an action in lieu of prerogative writ within 20 days from the publication of a notice of the adoption of an ordinance by the governing body granting the exemption and approving the financial agreement. Such notice shall be published in a newspaper of general circulation in the municipality and in a newspaper of general circulation in the county if different from the municipal newspaper.

a. The duration of the exemption for urban renewal entities shall be as follows: for all projects, a term of not more than 30 years from the completion of the entire project, or unit of the project if the project is undertaken in units, or not more than 35 years from the execution of the financial agreement between the municipality and the urban renewal entity.

b. During the term of any exemption, in lieu of any taxes to be paid on the buildings and improvements of the project and, to the extent authorized pursuant to this section, on the land, the urban renewal entity shall make payment to the municipality of an annual service charge, which shall remit a portion of that revenue to the county as provided hereinafter. In addition, the municipality may assess an administrative fee, not to exceed two percent of the annual service charge, for the processing of the application. The annual service charge for

municipal services supplied to the project to be paid by the urban renewal entity for any period of exemption, shall be determined as follows:

(1) An annual amount equal to a percentage determined pursuant to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of the annual gross revenue from each unit of the project, if the project is undertaken in units, or from the total project, if the project is not undertaken in units. The percentage of the annual gross revenue shall not be more than 15% in the case of a low and moderate income housing project, nor less than 10% in the case of all other projects.

At the option of the municipality, or where because of the nature of the development, ownership, use or occupancy of the project or any unit thereof, if the project is to be undertaken in units, the total annual gross rental or gross shelter rent or annual gross revenue cannot be reasonably ascertained, the governing body shall provide in the financial agreement that the annual service charge shall be a sum equal to a percentage determined pursuant to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total project cost or total project unit cost determined pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day of the month following the substantial completion of the project or any unit thereof, if the project is undertaken in units. The percentage of the total project cost or total project unit cost shall not be more than 2% in the case of a low and moderate income housing project, and shall not be less than 2% in the case of all other projects.

(2) In either case, the financial agreement shall establish a schedule of annual service charges to be paid over the term of the exemption period, which shall be in stages as follows:

(a) For the first stage of the exemption period, which shall commence with the date of completion of the unit or of the project, as the case may be, and continue for a time of not less than six years nor more than 15 years, as specified in the financial agreement, the urban renewal entity shall pay the municipality an annual service charge for municipal services supplied to the project in an annual amount equal to the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11). For the remainder of the period of the exemption, if any, the annual service charge shall be determined as follows:

(b) For the second stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(c) For the third stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(d) For the fourth stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater; and

(e) For the final stage of the exemption period, the duration of which shall not be less than one year and shall be specified in the financial agreement, an amount equal to either the amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991,

c.431 (C.40A:20-11), or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

If the financial agreement provides for an exemption period of less than 30 years from the completion of the entire project, or less than 35 years from the execution of the financial agreement, the financial agreement shall set forth a schedule of annual service charges for the exemption period which shall be based upon the minimum service charges and staged adjustments set forth in this section.

The annual service charge shall be paid to the municipality on a quarterly basis in a manner consistent with the municipality's tax collection schedule.

Each municipality which enters into a financial agreement on or after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.) shall remit 5 percent of the annual service charge to the county upon receipt of that charge in accordance with the provisions of this section.

Against the annual service charge the urban renewal entity shall be entitled to credit for the amount, without interest, of the real estate taxes on land paid by it in the last four preceding quarterly installments.

Notwithstanding the provisions of this section or of the financial agreement, the minimum annual service charge shall be the amount of the total taxes levied against all real property in the area covered by the project in the last full tax year in which the area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the annual service charge calculated pursuant to this section or the financial agreement would be less than the minimum annual service charge.

c. All exemptions granted pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time prescribed in the financial agreement.

Upon the termination of the exemption granted pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all affected parcels, land and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the municipality. After the date of termination, all restrictions and limitations upon the urban renewal entity shall terminate and be at an end upon the entity's rendering its final accounting to and with the municipality.

30. Section 14 of P.L.1947, c.151 (C.52:27BB-14) is amended to read as follows:

C.52:27BB-14 Hearings; rules of procedure.

14. The board shall adopt rules of procedure to govern hearings and other proceedings before the board. The board may hold hearings at the office of the director, or any other place convenient to the parties. The rules of procedure adopted by the board shall govern all hearings and a record of proceedings shall be taken, which at the request of a party to the hearing may be stenographic. Decision shall be made by a majority vote of the board; provided, however, that the board shall not authorize fees charged for financings that are greater than 0.125 percent of the par value of the bonds to be issued unless the same is approved by at least a two-thirds majority of the board.

31. R.S.54:4-65 is amended to read as follows:

Form and content of property tax bills.

54:4-65. a. The Director of the Division of Local Government Services in the Department of Community Affairs shall approve the form and content of property tax bills.

b. (1) Each tax bill shall have printed thereon a brief tabulation showing the distribution of the amount raised by taxation in the taxing district, in such form as to disclose the rate per \$100.00 of assessed valuation or the number of cents in each dollar paid by the taxpayer which is to be used for the payment of State school taxes, other State taxes, county taxes, local school expenditures, free public library taxes, and other local expenditures. The last named item may be further subdivided so as to show the amount for each of the several departments of the municipal government. In lieu of printing such information on the tax bill, any municipality may furnish the tabulation required hereunder and any other pertinent information in a statement accompanying the mailing or delivery of the tax bill.

(2) When a parcel receives a homestead property tax credit pursuant to the provisions of P.L.2007, c.62 (C.18A:7F-37 et al.), the amount of the credit shall be included with the tax calculation as a reduction in the total tax calculation for the year. One-half of the amount of the credit shall be deducted from taxes otherwise due for the third installment and the remaining one-half shall be deducted from taxes otherwise due for the fourth installment.

(3) There shall be included on or with the tax bill the delinquent interest rate or rates to be charged and any end of year penalty that is authorized and any other such information that the director may require from time to time.

c. The tax bill shall also include a statement about the availability of, on the Internet website of the Department of Community Affairs, the amounts of State aid and assistance received by the municipality, school districts, special districts, free public libraries, county governments that offset property taxes that are otherwise due on each parcel. The tax bill shall also include the link to the Internet website of the Department of Community Affairs containing this information. The director shall cause the amounts of said State aid and assistance that shall serve as the basis for the calculation for each parcel to be displayed on the Internet website of the Department of Community Affairs. The director shall set standards for the display of the statement on the tax bill.

d. The tax bill or form mailed with the tax bill shall include thereon the date upon which each installment is due.

e. If a property tax bill includes in its calculation a homestead property tax credit, the bill shall, in addition to the calculation showing taxes due, either display a notice concerning the credit on the face of the property tax bill or with a separate notice, with the content and wording as the director provides.

32. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read as follows:

C.58:11B-9 Loans to local governments.

9. a. (1) The trust may make and contract to make loans to local government units, or to a local government unit on behalf of another local government unit, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment system project or water supply project, which the local government unit may lawfully undertake or acquire and for which the local government unit is authorized by law to borrow money.

(2) The trust may make and contract to make loans to public water utilities, or to any other person or local government unit on behalf of a public water utility, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply project, which the public water utility may lawfully undertake or acquire.

(3) The trust may make and contract to make loans to private persons other than local government units, or to any other person or local government unit on behalf of a private person, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of stormwater management systems.

The loans may be made subject to those terms and conditions as the trust shall determine to be consistent with the purposes thereof. Each loan by the trust and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the trust shall make available to the State Treasurer all information, statistical data and reports of independent consultants or experts as the State Treasurer shall deem necessary in order to evaluate the loan. Each loan to a local government unit, public water utility or any other person shall be evidenced by notes, bonds or other obligations thereof issued to the trust. In the case of each local government unit, notes and bonds to be issued to the trust and, if applicable, the State, acting by and through the Department of Environmental Protection, by the local government unit (1) shall be authorized and issued as provided by law for the issuance of notes and bonds by the local government unit, (2) notwithstanding any provisions of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) to the contrary, shall be approved by the Director of the Division of Local Government Services in the Department of Community Affairs, and (3), notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other provisions of law to the contrary, may be sold at private sale to the trust or the State, as the case may be, at any price, whether or not less than par value, and shall be subject to redemption prior to maturity at any times and at any prices as the trust or the State, as the case may be, and local government units may agree. Each loan to a local government unit, public water utility or any other person and the notes, bonds or other obligations thereby issued shall bear interest at a rate or rates per annum as the trust or the State, as the case may be, and the local government unit, public water utility or any other person, as the case may be, may agree.

b. The trust is authorized to guarantee or contract to guarantee the payment of all or any portion of the principal and interest on bonds, notes or other obligations issued by a local government unit to finance the cost of any wastewater treatment system project or water supply project, which the local government unit may lawfully undertake or acquire and for which the local government unit is authorized by law to borrow money, and the guarantee shall constitute an obligation of the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the trust shall make available to the State Treasurer all information, statistical data and reports of independent consultants or experts as the State Treasurer shall deem necessary in order to evaluate the guarantee.

c. The trust shall not make or contract to make any loans or guarantees to local government units, public water utilities or any other person, or otherwise incur any additional indebtedness, on or after June 30, 2033.

d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may receive funds from any source or issue its bonds, notes or other obligations in any principal amounts as in the judgment of the trust shall be necessary to provide sufficient funds to finance or refinance short-term or temporary loans to local government units, public water utilities or private persons for any wastewater treatment system projects included on the project priority list and eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water supply projects

included on the project priority list and eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224, including, without limitation, any administrative or legislative approvals.

The trust shall create and establish a special fund (hereinafter referred to as the "Interim Financing Program Fund") for the short-term or temporary loan financing or refinancing program (hereinafter referred to as the "Interim Financing Program").

Any short-term or temporary loans made by the trust pursuant to this subsection may only be made in advance of the anticipated loans the trust may make and contract to make under the provisions of subsection a. of this section from any source of funds anticipated to be received by the trust. Any such short-term or temporary loan made pursuant to the Interim Financing Program shall mature no later than the last day of the third succeeding fiscal year following the closing date on which the short-term or temporary loan was made by the trust to the project sponsor. The trust may make short-term or temporary loans pursuant to the Interim Financing Program to any one or more of the project sponsors, for the respective projects thereof, identified in the interim financing project priority list (hereinafter referred to as the "Interim Financing Program Eligibility List") in the form provided to the Legislature by the Commissioner of Environmental Protection.

Incremental revisions or supplements to the Interim Financing Program Eligibility List may be submitted to the Legislature at any time between January 15th and May 15th of each year.

The Interim Financing Program Eligibility List, including any revision thereof or supplement thereto, shall be submitted to the Legislature on or before June 30 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or the project sponsor thereof not identified in the Interim Financing Program Eligibility List shall not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

33. N.J.S.40A:2-11 is amended to read as follows:

Down payment.

40A:2-11. a. No bond ordinance shall be finally adopted unless it appropriates to the purpose, or ratably to the respective purposes to be financed, in addition to the obligations thereby authorized, a sum as a down payment which is not less than 5% of the amount of the obligations authorized.

b. Said sum so appropriated as a down payment must have been made available prior to final adoption of the bond ordinance from any one or more of the following:

1. by provision in a previously adopted budget or budgets of the local unit for down payment or for capital improvement purposes;
2. from moneys then actually held by the local unit and previously contributed for such purpose other than by the local unit; or
3. by emergency appropriation.

c. The provisions of this section shall not apply to a bond ordinance which authorizes obligations solely for any purpose referred to in paragraphs a., b., c., d., e. and h. of section 40A:2-7 or for those bond ordinances which involve projects funded by State grants such as Green Acres, Transportation Trust Fund, and other similar programs, or for those bond

ordinances which involve environmental infrastructure projects, as defined in section 3 of P.L.1985, c.334 (C.58:11B-3), funded by loans from the "New Jersey Environmental Infrastructure Trust," created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), or the State, acting by and through the Department of Environmental Protection.

34. N.J.S.40A:2-32 is amended to read as follows:

Sale of bonds; bidding requirements.

40A:2-32. a. (1) All bidders shall be required to deposit cash delivered by wire or otherwise or a certified or cashier's or treasurer's check, drawn upon a bank or trust company, equal to not less than 2% of the bonds to secure the local unit in part from any loss resulting from the failure of the bidder to comply with the terms of his bid, or as liquidated damages for such failure.

(2) The local finance board may adopt rules to permit local units to accept a financial surety bond in lieu of a certified, cashier's or treasurer's check as required in paragraph (1) of this subsection.

b. All sealed bids for bonds shall be publicly opened and announced, and all bids received electronically shall be received and announced, at the advertised time and place of sale, except upon a postponement and recommencement of the public sale made in accordance with the provisions of subsection b. of N.J.S.40A:2-30 in which case such bids or proposals shall be publicly opened, received and announced, as appropriate, at the postponed and recommenced date. Such bids as comply with the terms of the notice of sale shall be considered, and any bid not complying with the terms of such notice may be rejected. All bids received may be rejected.

c. Bonds of two or more issues may be sold on the basis of combined maturities, or the maturities of each issue offered for sale.

d. Bonds may be offered for sale at a single rate of interest, or bidders may be requested to name a single rate of interest, but no proposal shall be considered which offers to pay less than the principal amount of bonds offered for sale or which names a rate of interest higher than the lowest rate of interest stated in any legally acceptable proposal. As between proposals naming the same lowest rate of interest, the proposal offering to accept the least amount of bonds shall be accepted, the bonds to be accepted shall be those first maturing, and as between such proposals, the proposal offering to pay the greatest premium shall be accepted. The amount of premium bid for the bonds shall in no event exceed \$1,000.00 for the principal amount of bonds offered for sale. In order to effect the foregoing, a sufficient number of the last maturing bonds shall be of the denomination of \$1,000.00 or less.

e. (1) Bonds may be offered for sale at different rates of interest for the same issue or different rates of interest for different issues, or parts thereof, or bidders may be requested to name any such rates of interest. No proposal shall be considered under which the total loan is made at an interest cost higher than the lowest net interest cost or the true interest cost to the local unit under any legally acceptable proposal. The governing body shall specify in its notice of public sale advertised pursuant to N.J.S.40A:2-30 whether the award shall be based on net interest cost or true interest cost.

(2) The net interest cost shall be computed by adding to the total principal amount of bonds bid for, the total interest cost to maturity in accordance with such bid and by deduction therefrom of the amount of premium, if any, bid or the addition thereto of the amount of discount, if any, bid.

(3) The true interest cost shall be computed in each instance by determining the interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the bonds and to the price bid, excluding interest accrued to the delivery date.

f. The governing body may establish additional terms or conditions of sale.

g. The governing body may, by resolution, allow or otherwise delegate to a finance officer the authority to permit bidders to aggregate consecutive principal maturities for which such bidder bid the same interest rate into term bonds, provided that mandatory sinking funds for which redemptions in lieu of the principal maturities are provided. For the purposes of this subsection "term bond" means a bond that is due in a certain year but has mandatory retirement provisions for portions of the term bond on specified dates prior to the maturity date of the term bond itself.

35. Section 1 of P.L.1976, c.38 (C.40A:3-2) is amended to read as follows:

C.40A:3-2 Findings, declarations.

1. The Legislature finds and declares that:

a. Maintenance of strong financial credit in New Jersey municipalities is essential in providing necessary capital improvement or property at minimum cost, for the citizens of this State;

b. While the credit status of New Jersey's municipalities is sound, it can be strengthened by a pledge of and statutory lien on State Urban Aid, Gross Receipts Tax, State Revenue Sharing, Municipal Purposes Tax Assistance Fund distributions, Business Personal Property Tax Replacement Revenues and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs to guarantee debt service payments on qualified bonds;

c. Such a pledge and statutory lien should expand the market for and lower the interest costs on qualified bonds issued pursuant to the terms of P.L.1976, c.38, thus reducing the borrowing costs of participating municipalities.

36. Section 2 of P.L.1976, c.38 (C.40A:3-3) is amended to read as follows:

C.40A:3-3 Definitions.

2. For the purposes of P.L.1976, c.38, unless the context clearly requires a different meaning:

a. "Business Personal Property Tax Replacement Revenues" means the funds distributed to municipalities pursuant to P.L.1966, c.135 (C.54:11D-1 et seq.) or pursuant to any other law hereafter enacted providing for funds to municipalities in lieu of or in substitution for or supplementing the funds presently provided pursuant to P.L.1966, c.135 (C.54:11D-1 et seq.);

b. "Debt service" means and includes payments of principal and interest upon qualified bonds issued pursuant to the terms of P.L.1976, c.38 or amounts required in order to satisfy sinking fund payment requirements and any other amounts, including fees and charges due under the applicable documents, with respect to such bonds;

c. "Director" means Director of the Division of Local Government Services in the Department of Community Affairs, established pursuant to P.L.1974, c.35 (C.52:27D-18.1);

d. "Local Finance Board" means the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs, established pursuant to P.L.1974, c.35 (C.52:27D-18.1);

e. "Paying agent" means any bank, trust company or national banking association having the power to accept and administer trusts, named or designated in any qualified bond of a municipality as the agent for the payment of the principal of and interest thereon and shall include the holder of any sinking fund established for the payment of such bonds;

f. "Qualified bonds" means those bonds of a municipality authorized and issued in conformity with the provisions of P.L.1976, c.38;

g. "State urban aid" means the funds made available to municipalities pursuant to P.L.1971, c.64 and all acts supplementing that act or pursuant to any other law hereafter enacted providing for funds to municipalities in lieu of or in substitution for the funds presently provided pursuant to acts supplementing P.L.1971, c.64;

h. "State revenue sharing" means the funds made available to municipalities pursuant to P.L.1976, c.73 (C.54A:10-1 et seq.) or pursuant to any other law hereafter enacted providing for funds to municipalities in lieu of or in substitution for the funds presently provided pursuant to P.L.1976, c.73;

i. "Gross receipts tax revenues" means funds collected pursuant to P.L.1940, c.4 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-49 et seq.), and apportioned and paid to municipalities pursuant to those acts; and

j. "Municipal Purposes Tax Assistance Fund distributions" means the moneys distributed to municipalities from the "Municipal Purposes Tax Assistance Fund" pursuant to the "Municipal Purposes Tax Assistance Act of 1980," P.L.1980, c.12 (C.54:1-46 et seq.), or pursuant to any other law hereafter enacted for the distribution of moneys to municipalities in lieu of or in substitution for the monies distributed pursuant to the "Municipal Purposes Tax Assistance Act of 1980," P.L.1980, c.12 (C.54:1-46 et seq.).

37. Section 4 of P.L.1976, c.38 (C.40A:3-5) is amended to read as follows:

C.40A:3-5 Recitals in bonds; authorization; issuance; maturity.

4. a. All qualified bonds when issued shall contain a recital to the effect that they are issued pursuant to Title 40 of the Revised Statutes or Title 40A of the New Jersey Statutes and are entitled to the benefits of the provisions of P.L.1976, c.38. Except as otherwise provided in P.L.1976, c.38, all qualified bonds shall be authorized and issued in the manner provided for in Title 40 or Title 40A. Qualified bonds shall mature not later than 30 years from their date of issuance without regard to any limitations as to maturities or amounts of annual installments for bonds as provided in Title 40 or Title 40A.

b. The proceedings of the municipality authorizing the issuance of qualified bonds shall contain such covenants and provisions for protecting and enforcing the rights and remedies of the bondholders as set forth in P.L.1976, c.38 or as may be reasonable and proper and not in violation of law, including covenants restricting the issuance of additional qualified bonds.

38. Section 6 of P.L.1976, c.38 (C.40A:3-7) is amended to read as follows:

C.40A:3-7 Certification, withholding; lien; covenants.

6. a. Each municipality which issues qualified bonds shall certify to the State Treasurer the name and address of the paying agent, the maturity schedule, interest rate and dates of payment of debt service on such qualified bonds within 10 days after the date of issuance of such qualified bonds. After receipt of such certificate the State Treasurer shall withhold from the amount of business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue

sharing and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs payable to such municipality an amount of such business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs which will be sufficient to pay the debt service on such qualified bonds as the same shall mature and become due. The State Treasurer shall, on or before each principal and interest payment date, forward such withheld amounts to the paying agent for such qualified bonds for deposit to the account established with such paying agent for the purpose of paying the debt service on such qualified bonds. Notwithstanding any other provision of law to the contrary, a statutory lien and trust is automatically and without further act or filing created and impressed upon the business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing, and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs so payable to such municipality that are withheld or are required to be withheld by the State Treasurer under P.L.1976, c.38 (C.40A:3-1 et seq.), which statutory lien and trust shall be paramount and superior to all other liens and interests of any kind in favor of the holders of qualified bonds, for the sole purpose of paying debt service on the qualified bonds issued pursuant to P.L.1976, c.38 (C.40A:3-1 et seq.). The lien created under this subsection for the benefit of bondholders is perfected without delivery, recording, or notice. All such business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing, and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs that are withheld or are required to be withheld by the State Treasurer under P.L.1976, c.38 (C.40A:3-1 et seq.) shall be exempt from being levied upon, taken, sequestered, or applied toward paying the debts of the municipality other than for payment of debt service on such qualified bonds. All such business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing, and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs that are withheld or are required to be withheld by the State Treasurer under P.L.1976, c.38 (C.40A:3-1 et seq.) shall be deemed to be held in trust for the sole purpose of paying the debt service on such qualified bonds.

b. The State of New Jersey hereby covenants with the purchasers, holders and owners, from time to time, of qualified bonds that it will not repeal, revoke, rescind, modify or amend the provisions of subsection a. of this section so as to create any lien or charge on or pledge, assignment, diversion, withholding payment or other use of or deduction from any business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing or any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs to be apportioned and paid to any paying agent of qualified bonds which is prior in time or superior in right to the payment required by subsection a. of this section; provided, however, that nothing herein contained shall be deemed or construed to require the State of New Jersey to continue to make payments of business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing or any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs or to limit or prohibit the State from repealing or amending any law heretofore or hereafter enacted for the payment or apportionment of said revenues or aid or the manner, time, or amount thereof.

c. It being the original and continuing intent of the State that all such business personal property tax replacement revenues, gross receipts tax revenues, municipal purposes tax assistance fund distributions, State urban aid, State revenue sharing, and any other funds appropriated as State aid and not otherwise dedicated to specific municipal programs that are withheld or are required to be withheld by the State Treasurer under P.L.1976, c.38 (C.40A:3-1 et seq.) shall be subject to a statutory lien and trust, the provisions of P.L.2015, c.95 shall apply to all qualified bonds whether issued prior to or following enactment of that act. All persons shall be forever estopped from denying that qualified bonds, whenever issued pursuant to subsection a. above, are entitled to the benefits of the provisions of P.L.1976, c.38 (C.40A:3-1 et seq.), including but not limited to the statutory lien and trust created pursuant to subsection a. of this section.

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

Special emergency appropriations.

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

- a. Preparation of an approved tax map.
- b. Preparation and execution of a complete program of revaluation of real property for the use of the local assessor, or of any program to update and make current any previous revaluation program when such is ordered by the county board of taxation.
- c. Preparation of a revision and codification of its ordinances.
- d. Engagement of special consultants for the preparation, and the preparation of a master plan or plans, when required to conform to the planning laws of the State.
- e. Preparation of drainage maps for flood control purposes.
- f. Preliminary engineering studies and planning necessary for the installation and construction of a sanitary sewer system.
- g. Authorized expenses of a consolidation commission established pursuant to the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.) or the "Uniform Shared Services and Consolidation Act," sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35).
- h. Contractually required severance liabilities resulting from the layoff or retirement of employees. Such liabilities shall be paid without interest and, at the sole discretion of the local unit, may be paid in equal annual installments over a period not to exceed five years.
- i. Preparation of a sanitary or storm system map.
- j. Liabilities incurred to the Department of Labor and Workforce Development for the reimbursement of unemployment benefits paid to former employees.

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

40. Section 3 of P.L.1993, c.87 (C.40A:9-28.3) is amended to read as follows:

C.40A:9-28.3 Renewal of certificates; fee; continuing education; mitigating circumstances.

3. a. Commencing July 1, 1995, all county finance officer certificates shall be renewed upon application, payment of the required fee of \$50 and verification that the applicant has met continuing education requirements, all as set forth in this section. Each renewal shall be for a period of two years. The renewal date shall be 30 days prior to the expiration date.

b. Each applicant for renewal of a county finance officer certificate, on a form prescribed by the director, shall furnish proof of having earned at least 3.0 continuing education units in subject areas and minimum contact hours as prescribed by the director. For the purposes of this section, 1.0 continuing education unit equals 10 contact hours. Upon verification of this requirement and upon payment of a fee of \$50 to the order of the Treasurer of the State of New Jersey, the director shall renew the county finance officer certificate.

c. When the holder of a county finance officer certificate has allowed the certificate to lapse by failing to renew the certificate, a new application and certificate shall be required. If application is made within six months of the expiration of the certificate, then application may be made in the same manner as a renewal; provided, however, that such application may be made in the same manner as a renewal within 12 months of the expiration of the certificate if the director determines that either of the following circumstances prevents a certificate holder from earning the required continuing education units within six months of the expiration of the certificate:

(1) a flood, hurricane, superstorm, tornado, or other natural disaster, and a state of emergency has been declared as a result thereof by the Governor; or

(2) a medical event or condition.

41. Section 8 of P.L.1997, c.279 (C.40A:9-133.10) is amended to read as follows:

C.40A:9-133.10 Renewal of certificates; conditions; fee.

8. a. Commencing October 1, 1998 all registered municipal clerk certificates issued pursuant to section 3 or section 4 of P.L.1985, c.174 (C.40A:9-133.3 or C.40A:9-133.4), or section 7 of P.L.1997, c.279 (C.40A:9-133.9) shall be renewed upon application, payment of the required fee, and verification that the applicant has met the requirements as set forth in this section. Each renewal shall be for a period of two years. The renewal date shall be 30 days prior to the expiration date.

b. All registered municipal clerk certificates subject to renewal pursuant to this section issued prior to October 1, 1998 shall have an expiration date of September 30, 2000. All registered municipal clerk certificates issued on or after October 1, 1998 shall expire two years from the date on which the certificate was originally issued.

c. Each applicant for renewal of a registered municipal clerk certificate shall, on a form prescribed by the director, furnish proof of having earned at least 2.0 continuing education units in subject areas related to the statutory duties of the municipal clerk and minimum contact hours as prescribed by the director. For the purposes of this section, 1.0 continuing education unit equals 10 contact hours. Upon verification of this requirement, and upon payment of a fee of \$50 to the order of the Treasurer of the State of New Jersey, the director shall renew the registered municipal clerk certificate.

d. Where the holder of a registered municipal clerk certificate has allowed the certificate to lapse by failing to renew the certificate, a new application and certificate shall be required. If application is made within six months of the expiration of the certificate, then application may be made in the same manner as renewal but the application shall be accompanied by the fee for a new application; provided, however, that such application may be made in the same manner as a renewal within 12 months of the expiration of the certificate if the director determines that either of the following circumstances prevents a certificate holder from earning the required continuing education units within six months of the expiration of the certificate:

- (1) a flood, hurricane, superstorm, tornado, or other natural disaster, and a state of emergency has been declared as a result thereof by the Governor; or
- (2) a medical event or condition.

42. Section 10 of P.L.1988, c.110 (C.40A:9-140.15) is amended to read as follows:

C.40A:9-140.15 Renewal of municipal finance officer certificates.

10. a. Commencing January 1, 1991, all municipal finance officer certificates, except those issued pursuant to section 4 of P.L.1971, c.413 (C.40A:9-140.4) or pursuant to section 6 of P.L.1988, c.110 (C.40A:9-140.11), shall be renewed upon application, payment of the required fee of \$50, and verification that the applicant has met continuing education requirements, all as set forth in this section. Each renewal shall be for a period of two years. The renewal date shall be 30 days prior to the expiration date.

b. Each municipal finance officer certificate subject to renewal pursuant to this section issued prior to January 1, 1992 shall expire on January 1, 1994. Each municipal finance officer certificate issued on or after January 1, 1992 shall expire two years from the date on which the certificate was originally issued.

c. Each applicant for renewal of a municipal finance officer certificate shall, on a form prescribed by the director, furnish proof of having earned at least 3.0 continuing education units. For the purposes of this section, 1.0 continuing education unit equals 10 contact hours. Upon verification of this requirement, and upon payment of a fee of \$50 to the order of the Treasurer of the State of New Jersey, the director shall renew the municipal finance officer certificate.

d. Where the holder of a municipal finance officer certificate has allowed the certificate to lapse by failing to renew the certificate, a new application and certificate shall be required. If application is made within six months of the expiration of the certificate, then application may be made in the same manner as a renewal; provided, however, that such application may be made in the same manner as a renewal within 12 months of the expiration of the certificate if the director determines that either of the following circumstances prevents a certificate holder from earning the required continuing education units within six months of the expiration of the certificate:

- (1) a flood, hurricane, superstorm, tornado, or other natural disaster, and a state of emergency has been declared as a result thereof by the Governor; or
- (2) a medical event or condition.

43. Section 7 of P.L.1993, c.25 (C.40A:9-145.3b) is amended to read as follows:

C.40A:9-145.3b Expiration, renewal of outstanding, lapsed certificates; fee.

7. Commencing on the effective date of P.L.1993, c.25 (C.40A:9-145.3a et al.) all outstanding tax collector certificates shall expire and be renewed in accordance with the following procedure:

a. All tax collector certificates shall be renewed upon application, payment of the required fee, and verification that the applicant has met continuing education requirements, as set forth in subsection c. of this section. Each renewal shall be for a period of two years. The renewal date shall be 30 days prior to the expiration date.

b. All tax collector certificates subject to renewal pursuant to this section issued prior to January 1, 1993 shall have an expiration date of December 31, 1994. All tax collector certificates issued on or after January 1, 1993 shall have an expiration date of either June 30

or December 31, whichever is sooner, of the second year following the year in which the certificates were originally issued, provided that no certificate shall expire sooner than two years from the date of original issue.

c. Prior to the renewal date of a tax collector certificate, every tax collector shall, on a form prescribed by the director, furnish proof of having earned at least 1.5 continuing education units. For the purpose of this section, 1.5 continuing education units equals 15 contact hours with a minimum number of hours, as determined by the director.

Under verification of this requirement, and upon payment of a fee of \$50 to the order of the Treasurer of the State of New Jersey, the director shall renew the tax collector certificate.

d. When the holder of a tax collector certificate has allowed the certificate to lapse by failing to renew the certificate, a new application and certificate shall be required. If application is made within six months of the expiration of the certificate, then application may be made in the same manner as a renewal, but the application shall be accompanied by the fee required for a new application; provided, however, that such application may be made in the same manner as a renewal within 12 months of the expiration of the certificate if the director determines that either of the following circumstances prevents a certificate holder from earning the required continuing education units within six months of the expiration of the certificate:

- (1) a flood, hurricane, superstorm, tornado, or other natural disaster, and a state of emergency has been declared as a result thereof by the Governor; or
- (2) a medical event or condition.

44. Section 8 of P.L.1991, c.258 (C.40A:9-154.6h) is amended to read as follows:

C.40A:9-154.6h Renewal of certificates.

8. a. Commencing January 1, 1997, all public works manager certificates shall be renewed upon application, payment of the required fee, and verification that the applicant has met continuing education requirements, all as set forth in this section. Each renewal shall be for a period of three years. The renewal date shall be 30 days prior to the expiration date.

b. All public works manager certificates subject to renewal pursuant to this section that were issued prior to January 1, 1995 shall have an expiration date of December 31, 1998. All public works manager certificates issued on or after January 1, 1995 shall have an expiration date of either June 30 or December 31, whichever is sooner, of the third year following the year in which the certificates were originally issued, provided that no certificate shall expire sooner than December 31, 1998.

c. Each applicant for renewal of a public works manager certificate shall, on a form prescribed by the director, furnish proof of having earned at least two continuing education units in fields of study related to public works activity. For the purposes of this section, one continuing education unit equals 10 contact hours. Upon verification of this requirement, and upon payment of a fee, the director shall renew the public works manager certificate.

d. If the holder of a public works manager certificate has allowed the certificate to lapse by failing to renew the certificate, a new application and certificate shall be required. If application is made within six months of the expiration of the lapsed certificate, then application may be made in the same manner as a renewal, but the application shall be accompanied by the fee for a new application; provided, however, that such application may be made in the same manner as a renewal within 12 months of the expiration of the certificate if the director determines that either of the following circumstances prevents a

certificate holder from earning the required continuing education units within six months of the expiration of the certificate:

- (1) a flood, hurricane, superstorm, tornado, or other natural disaster, and a state of emergency has been declared as a result thereof by the Governor; or
- (2) a medical event or condition.

45. Section 9 of P.L.1971, c.198 (C.40A:11-9) is amended to read as follows:

C.40A:11-9 Designation of purchasing agent; qualifications; certification.

9. a. The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, designate an individual to serve as the contracting unit's purchasing agent. The individual designated as the purchasing agent pursuant to this subsection shall be assigned the authority, responsibility, and accountability for the purchasing activity for the contracting unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c.198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit as its contracting agent. The individual designated to serve as the purchasing agent of a contracting unit pursuant to this subsection shall possess a qualified purchasing agent certificate pursuant to this section. The individual designated as the purchasing agent pursuant to this subsection may be a part-time or full-time employee of the contracting unit, an independent contractor, or an individual employed by another contracting unit through a shared services agreement.

b. The Director of the Division of Local Government Services, after consultation with the Commissioner of Education, shall establish criteria to qualify individuals who have completed appropriate training and possess such purchasing experience as deemed necessary to serve as a purchasing agent, and, when determined to be necessary by the director, have passed an examination administered by the director pursuant to this section. The criteria established by the director shall include, but are not limited to, the following:

- (1) is a citizen of the United States;
- (2) is of good moral character;
- (3) is a high school graduate or equivalent;
- (4) has at least two years of higher education, and two years of full time governmental experience performing duties relative to those of public procurement provided, however, that additional years of experience may be substituted for years of higher education, on a one to one basis;
- (5) has successfully received certificates indicating satisfactory completion of a series of training courses in public procurement as determined by the director and provided by either the Division of Local Government Services, or, with the approval of the director, by a county college or Rutgers, The State University of New Jersey, all under the supervision of instructors who meet criteria established by the director;
- (6) has submitted completed application forms, including proof of education and experience, as set forth in this subsection, accompanied by a fee in the amount of \$150 payable to the State Treasurer, to the Director of the Division of Local Government Services at least 30 days prior to the administration of a State examination;

(7) has successfully passed a State examination for a qualified purchasing agent certificate. The director shall hold examinations semi-annually or at such times as the director may deem appropriate. An individual shall be eligible to take the State examination for a qualified purchasing agent certificate without having taken the courses required pursuant to paragraph (5) of this subsection if the individual has been certified by the division as a certified municipal finance officer, a certified county finance officer, or a certified county purchasing officer.

The director shall issue a qualified purchasing agent certificate to an individual who passes the examination upon payment to the director of a fee of \$25 which shall be payable to the State Treasurer.

c. The criteria established by the director to authorize purchasing agents, pursuant to subsection b. of this section, shall include, but are not limited to, completion of a course in green product purchasing, as established by the director pursuant to regulation. Any person qualified pursuant to subsection b. of this section prior to the establishment of the course in green product purchasing, shall in order to continue to be qualified, take and successfully complete the course within four years from the date the course is established. For the purposes of this subsection and section 2 of P.L.2007, c.332 (C.40A:11-9.1), "green product" means any commodity or service that has a lesser or reduced negative effect on human health and the environment when compared with competing commodities or services. Items considered in this comparison may include, but are not limited to: raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal, energy efficiency, recycled content resource use, transportation, and durability.

d. (1) Renewal of the qualified purchasing agent certification shall be required every three years, subject to the applicant's fulfillment of continuing education requirements, the submission of an application for renewal, and the payment of a renewal fee, all as determined by the director.

(2) In the event that an individual holding a qualified purchasing agent certificate allows the certificate to lapse by failing to renew the certificate, the individual shall be required to apply to take the qualifying examination required pursuant to subsection b. of this section and pay a fee as determined by the director, except that when an individual applies within six months of the expiration of the certificate, the application may be made in the same manner as renewal and except that such application may be made in the same manner as a renewal within 12 months of the expiration of the certificate if the director determines that either of the following circumstances prevents a certificate holder from earning the required continuing education units within six months of the expiration of the certificate:

(a) a flood, hurricane, superstorm, tornado, or other natural disaster, and a state of emergency has been declared as a result thereof by the Governor; or

(b) a medical event or condition.

e. (1) An individual who obtained a qualified purchasing agent certificate prior to enactment of P.L.2009, c.166 (C.40A:11-9a et al.) shall be exempt from taking the State qualifying examination, but shall adhere to all requirements for renewal pursuant to subsection d. of this section. If such a qualified purchasing agent certificate expires due to the failure of the holder to renew the certificate as prescribed in subsection d. of this section, that individual shall be required to pass the qualifying examination as provided pursuant to subsection b. of this section in order to be issued a new qualified purchasing agent certificate.

(2) An individual who has been certified by the Department of Education as a school business administrator and has performed duties relative to public procurement for at least

three years shall be exempt from taking the courses required pursuant to paragraph (5) of subsection b. of this section and the state qualifying examination, and upon application to the director and the payment of the fee imposed pursuant to subsection b. of this section, shall be issued a qualified purchasing agent certificate.

f. Those persons who have been performing the duties of a purchasing agent for a contracting unit pursuant to P.L.1971, c.198 (C.40A:11-1 et seq.), or school board pursuant to N.J.S.18A:18A-1 et seq. for at least three continuous years, prior to the first day of the sixth month following the promulgation of rules and regulations to effectuate the purposes of P.L.2009, c.166 (C.40A:11-9a et al.), and did not possess a qualified purchasing agent certificate at that time, may take the State qualifying examination, if not otherwise exempt under subsection e. of this section, without the courses required in subsection b. of this section.

g. Following the appointment of a purchasing agent for a contracting unit pursuant to subsection a. of this section, if the person appointed no longer performs such duties, the governing body or chief executive officer, as appropriate to the form of government, may appoint, for a period not to exceed one year commencing from the date of the vacancy, a person who does not possess a qualified purchasing agent certificate to serve as a temporary purchasing agent. Any person so appointed may, with the approval of the director, be reappointed as a temporary purchasing agent for a maximum of one additional year following the end of the first temporary appointment. No contracting unit shall employ a temporary purchasing agent for more than two consecutive years.

h. The director may revoke or suspend a qualified purchasing agent certificate for dishonest practices or willful or intentional failure, neglect, or refusal to comply with the laws relating to procurement, or for other good cause. The governing body, together with the chief executive officer of any contracting unit, or a board of education, may request the director to review the behavior or practices of a person holding a qualified purchasing agent certificate. Prior to taking any adverse action against a person, the director or the director's designee shall convene a hearing, upon due notice, affording the person an opportunity to be heard. If the qualified purchasing agent certificate held by a person serving as a purchasing agent is revoked, the director shall order that person to no longer perform the duties of purchasing agent, and the person shall not be eligible to serve as a purchasing agent or to make application for recertification for a period of five years from the date of revocation.

i. The director may adopt and promulgate rules and regulations to effectuate the purposes of P.L.1971, c.198. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, any such regulations shall be effective immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 365 days and may thereafter be amended, adopted or readopted by the director in accordance with the requirements of P.L.1968, c.410. In order to better manage the workload of implementing the provisions of P.L.1971, c.198, the director may establish a transition process for administering an examination for individuals serving as purchasing agents on the effective date of P.L.1971, c.198, issuing and renewing qualified purchasing agent certificates to eligible individuals, prescribing a schedule by which such certificates will be issued and renewed, and such other matters as the director determines to be necessary to the implementation of P.L.1971, c.198.

46. Section 2 of P.L.1987, c.38 (C.52:14-15f) is amended to read as follows:  
C.52:14-15f Deposit of net pay; information available to employees.

2. a. Upon the adoption of an ordinance or resolution, as appropriate, the governing body of a county or municipality may provide for the deposit of the net pay of any employee of the county or municipality, or of a board, commission, bureau, department, or other public agency thereof, in a specific banking institution in a designated checking account, savings account, or share account. When the employee shall indicate in writing to the proper disbursing officer his or her desire to have his or her net pay deposited, the disbursing officer shall make the deposit in the respective banking institution on behalf of the employee. As used in P.L.1981, c.385 (C.52:14-15a et seq.), "employee" shall also mean any person holding public office, position, or employment whose compensation is paid by a county or municipality or any board, commission, bureau, department, or other public agency thereof.

b. On or after July 1, 2014, the governing body of a county, municipality, or local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), may determine by the adoption of an ordinance or resolution, as appropriate, to provide for the mandatory direct deposit of net pay for all employees of the county, municipality, or local authority or other entity subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.), or of a board, commission, bureau, department, or other public agency thereof, in a specific banking institution based on information provided by the employee. If the governing body provides for such direct deposit, compliance by an employee shall be mandatory. No ordinance or resolution shall be adopted under subsection a. of this section on or after July 1, 2014. The governing body is authorized to grant an exemption from the requirements adopted pursuant to this subsection on such terms and conditions as the governing body may deem necessary. The governing body is authorized to grant an exemption for seasonal and temporary employees as the governing body may deem necessary.

c. The governing body may make available for such employees who have net pay directly deposited as described in subsection a. of this section, and shall make available for such employees who have net pay directly deposited as described in subsection b. of this section, any information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with applicable federal law, only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information.

Repealer.

47. The following sections are repealed:

Section 15 of P.L.1941, c.151 (C.4:19-15.15);

Section 4 of P.L.1985, c.174 (C.40A:9-133.4); and

Section 7 of P.L.1997, c.279 (C.40A:9-133.9).

48. This act shall take effect immediately.

Approved August 10, 2015.