

CHAPTER 140

AN ACT concerning certain shared services and amending P.L.2013, c.166 and P.L.2007, c.63.

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

1. Section 3 of P.L.2013, c.166 (C.40A:65-4.2) is amended to read as follows:

C.40A:65-4.2 Definitions relative to shared services agreements; pilot program established.

3. a. As used in this section:

"Local employee" means a tenured municipal clerk, assessor, collector, chief financial officer, municipal treasurer, or principal public works manager who is a municipal superintendent of public works;

"Pilot county" means Atlantic, Camden, Monmouth, Morris, Ocean, Sussex, and Warren, counties; and

"Pilot municipality" means a municipality located in a pilot county that enters into a shared services agreement with another pilot municipality pursuant to the provisions of P.L.2007, c.63 (C.40A:65-1 et seq.) for the services of a local employee.

b. There is established a pilot program to evaluate the efficiency and functionality of the sharing of services of certain local personnel having tenure rights in office. In pilot municipalities, tenure rights shall not prohibit the sharing of services for a municipal clerk, a chief financial officer, an assessor, a tax collector, a municipal treasurer, or a municipal superintendent of public works. Under the pilot program, municipalities located in pilot counties may enter into shared services agreements, pursuant to the provisions of P.L.2007, c.63 (C.40A:65-1 et seq.), for the services of tenured local employees, and provide for the dismissal of any tenured local employees who are not selected to be service providers under the shared services agreement.

In a shared service agreement between pilot municipalities for the services of a municipal clerk, a chief financial officer, an assessor, a tax collector, a municipal treasurer, or a municipal superintendent of public works, the agent-party, as that term is defined in subsection d. of section 7 of P.L.2007, c.63 (C.40A:65-7), shall select for employment under the agreement one of the employees of the pilot municipalities that are party to the agreement who was employed in that same capacity by one of the pilot municipalities prior to the approval of the agreement. The shared service agreement shall address the proportion of work hours that the selected employee shall dedicate towards each pilot municipality, and any additional compensation that the selected employee may receive for assuming additional duties under the agreement. If the selected employee receives additional compensation for assuming additional duties under the agreement, the additional compensation shall not be reduced during the term of the agreement without good cause.

c. A tenured municipal clerk, chief financial officer, assessor, tax collector, municipal superintendent of public works, or municipal treasurer 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. A tenured municipal clerk, chief financial officer, assessor, tax collector, municipal superintendent of public works, or municipal treasurer who has been dismissed to effectuate a shared service agreement entered into pursuant to the provisions of P.L.2007, c.63 (C.40A:65-1 et seq.) shall be reappointed to his or her former position, and shall regain his or her tenured status, if the shared service agreement is cancelled, or expires, within the two-year period immediately following the dismissal of that person. If the shared service agreement is cancelled, or expires, within the

two-year period immediately following the dismissal, the reappointed employee shall be entitled to the same level of salary or wages as the employee had received at the time of the dismissal, augmented by any increases in salary granted to all other tenured employees by ordinance while the shared service agreement was in effect.

2. Section 2 of P.L.2007, c.63 (C.40A:65-2) is amended to read as follows:

C.40A:65-2 Findings, declarations relative to shared services and consolidation.

2. The Legislature finds and declares:

a. Historically, many specialized statutes have been enacted to permit shared services between local units for particular purposes.

b. Other laws, permitting a variety of shared services, including interlocal services agreements, joint meetings, and consolidated and regional services, exist but have not been very effective in promoting the broad use of shared services as a technique to reduce local expenses funded by property taxpayers.

c. It is appropriate for the Legislature to enact a new shared services statute that can be used to effectuate agreements between local units for any service or circumstance intended to reduce property taxes through the reduction of local expenses.

d. It is contrary to public policy that the tenure rights of certain local personnel should effectively prohibit shared services agreements for the services provided by those local personnel, thereby depriving property taxpayers of property tax relief.

e. In order to evaluate the efficiencies related to the sharing of services of certain local personnel having tenure rights in office, it is appropriate to create a pilot program in seven counties of the State which embody urban, suburban, and rural characteristics to study the sharing of the services of these personnel between municipalities by allowing for the dismissal of such a tenured local official, as necessary, in order to promote and effectuate the sharing of a service.

3. This act shall take effect immediately.

Approved November 27, 2018.