

## CHAPTER 433

AN ACT concerning joint meetings and regional service agencies, amending P.L.1960, c.3, and supplementing and amending P.L.2007, c.63.

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

C.40A:65-3.1 “Joint meeting” deemed to refer to a “regional service agency.”

1. Whenever the term "joint meeting" as defined in section 3 of P.L.2007, c.63 (C.40A:65-3), and which powers and authority are set forth in section 7 of P.L.1960, c.3 (C.40:48B-2.1) and section 15 of P.L.2007, c.63 (C.40A:65-15) occurs or any reference is made thereto in any law, contract, or other document, the same shall be deemed to mean or refer to a “regional service agency” as also defined in section 3 of P.L.2007, c.63 (C.40A:65-3), established by joint contract on or after the date of enactment of P.L.2019, c.433 (C.40A:65-3.1 et al.).

2. Section 7 of P.L.1960, c.3 (C.40:48B-2.1) is amended to read as follows:

C.40:48B-2.1 Joint meeting, regional service agency; powers and authority.

7. a. A joint meeting or regional service agency, both as defined in section 3 of P.L.2007, c.63 (C.40A:65-3), shall be a public body corporate and politic constituting a political subdivision of the State exercising public and essential governmental functions to provide for the public health and welfare, and qualifies as a “local unit,” as defined in section 3 of the “Local Fiscal Affairs Law,” N.J.S.40A:5-3. The joint meeting or regional service agency shall have the following powers and authority, which may be exercised by the management committee to the extent provided in the joint contract:

- (1) To sue and be sued;
- (2) To acquire and hold real and personal property by deed, gift, grant, lease, purchase, condemnation or otherwise;
- (3) To enter into any and all contracts or agreements and to execute any and all instruments;
- (4) To do and perform any and all acts or things necessary, convenient or desirable for the purposes of the joint meeting or regional service agency or to carry out any powers expressly provided in section 7 of P.L.1960, c.3 (C.40:48B-2.1);
- (5) To sell real and personal property owned by the joint meeting or regional service agency at public sale;
- (6) To operate all services, lands, public improvements, works, facilities or undertakings for the purposes and objects of the joint meeting or regional service agency;
- (7) To enter into a contract or contracts providing for or relating to the use of its services, lands, public improvements, works, facilities or undertakings, or any part thereof, by local units who are not members of the joint meeting or regional service agency, and other persons, upon payment of charges therefor as fixed by the management committee;
- (8) To receive such State or federal aids or grants as may be available for the purposes of the joint meeting or regional service agency and to make and perform such agreements and contracts as may be necessary or convenient in connection with the application for, procurement, acceptance or disposition of such State or federal aids or grants; and
- (9) To acquire, maintain, use and operate lands, public improvements, works or facilities in any municipality in the State, except where the governing body of such municipality, by resolution adopted within 60 days after receipt of written notice of intention to so acquire,

maintain, use or operate, shall find that the same would adversely affect the governmental operations and functions and the exercise of the police powers of such municipality.

b. If the governing body of a municipality in which a joint meeting or regional service agency has applied for the location and erection of sewage treatment or solid waste disposal facilities refuses permission therefor or fails to take final action upon the application within 60 days of its filing, the joint meeting or regional service agency may, at any time within 30 days following the date of such refusal or the date of expiration of said period of 60 days, apply to the Department of Environmental Protection, which is authorized, after hearing the joint meeting or regional service agency and the municipality interested, to grant the application for the erection of the sewage treatment or disposal or solid waste treatment or disposal facilities, notwithstanding the aforesaid refusal or failure to act of the governing body, upon being satisfied that the topographical and other physical conditions existing in the local units comprising the joint meeting or regional service agency are such as to make the erection of such facilities within its boundaries impracticable as an improvement for the benefit of the whole applying joint meeting or regional service agency.

3. Section 3 of P.L.2007, c.63 (C.40A:65-3) is amended to read as follows:

C.40A:65-3 Definitions relative to shared services and consolidation.

3. As used in sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35):

"Board" means the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs.

"Construct" and "construction" connote and include acts of construction, reconstruction, replacement, extension, improvement and betterment of lands, public improvements, works, facilities, services or undertakings.

"Contracting local units" means local units participating in a joint meeting or regional service agency.

"Director" means the Director of the Division of Local Government Services in the Department of Community Affairs.

"Division" means the Division of Local Government Services in the Department of Community Affairs.

"Governing body" means the board, commission, council, or other body having the control of the finances of a local unit; and in those local units in which an executive officer is authorized by law to participate in such control through powers of recommendation, approval, or veto, the term includes that executive officer, to the extent of the officer's statutory participation.

"Joint contract" means: (1) an agreement between two or more local units to form a joint meeting, entered into before the date of enactment of P.L.2019, c.433 (C.40A:65-3.1 et al.); or (2) an agreement between two or more local units to form a regional service agency, entered into on or after the date of enactment of P.L.2019, c.433 (C.40A:65-3.1 et al.).

"Joint meeting" means the joint operation of any public services, public improvements, works, facilities, or other undertaking by contracting local units pursuant to a joint contract under section 14 of P.L.2007, c.63 (C.40A:65-14), entered into before the date of enactment of P.L.2019, c.433 (C.40A:65-3.1 et al.).

"Local unit" means a "contracting unit" pursuant to section 2 of P.L.1971, c.198 (C.40A:11-2), a "district" pursuant to N.J.S.18A:18A-2, a "county college" pursuant to N.J.S.18A:64A-1, a joint meeting or regional service agency, as defined in this section, or

any authority or special district that is subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.).

"Operate" and "operation" mean and include acquisition, construction, maintenance, management, and administration of any lands, public improvements, works, facilities, services, or undertakings.

"Person" means any person, association, corporation, nation, State, or any agency or subdivision thereof, or a county or municipality of the State.

"Regional service agency" means the joint operation of any public services, public improvements, works, facilities, or other undertaking by contracting local units pursuant to a joint contract under section 14 of P.L.2007, c.63 (C.40A:65-14), entered into on or after the date of enactment of P.L.2019, c.433 (C.40A:65-3.1 et al.).

"Service" means any of the powers, duties and functions exercised or performed by a local unit by or pursuant to law.

"Shared service" or "shared" means any service provided on a regional, joint, interlocal, shared, or similar basis between local units, the provisions of which are memorialized by agreement between the participating local units, but, for the purposes of this act, does not include any specific service or activity regulated by some other law, rule or regulation.

"Shared service agreement" or "agreement" means a contract authorized under section 4 of P.L.2007, c.63 (C.40A:65-4).

"Terminal leave benefit" means a single, lump sum payment, paid at termination, calculated using the regular base salary at the time of termination.

4. Section 10 of P.L.2007, c.63 (C.40A:65-10) is amended to read as follows:

C.40A:65-10 Approval of award of contract.

10. In the event that any authority, board, commission, district, joint meeting, regional service agency, or other body created by one or more local units proposes to enter into a contract under sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.), whereby that entity agrees to have performed on its behalf services, the cost of which shall equal one-half or more of the total costs of the services being performed by that entity immediately prior to the adoption of the proposed contract, then the contract shall require approval by resolution of the governing body of each local unit which created the entity or which has become a participant therein subsequent to its creation.

5. Section 11 of P.L.2007, c.63 (C.40A:65-11) is amended to read as follows:

C.40A:65-11 Employment reconciliation plan included in agreement; conditions.

11. a. When a local unit contracts, through a shared service, joint meeting, or regional service agency to have another local unit, joint meeting, or regional service agency provide a service it is currently providing using public employees and one or more of the local units have adopted Title 11A, Civil Service, then the agreement shall include an employment reconciliation plan in accordance with this section that shall specifically set forth the intended jurisdiction of the Civil Service Commission. An employment reconciliation plan shall be subject to the following provisions:

(1) a determination of those employees, if any, that shall be transferred to the providing local unit, retained by the recipient local unit, or terminated from employment for reasons of economy or efficiency, subject to the provisions of any existing collective bargaining agreements within the local units.

(2) any employee terminated for reasons of economy or efficiency by the local unit providing the service under the shared service agreement shall be given a terminal leave payment of not less than a period of one month for each five-year period of past service as an employee with the local unit, or other enhanced benefits that may be provided or negotiated. For the purposes of this paragraph, "terminal leave payment" means a single, lump sum payment, paid at termination, calculated using the regular base salary at the time of termination. Unless otherwise negotiated or provided by the employer, a terminal leave benefit shall not include extended payment, or payment for retroactive salary increases, bonuses, overtime, longevity, sick leave, accrued vacation or other time benefit, or any other benefit.

(3) the Civil Service Commission shall place any employee that has permanent status pursuant to Title 11A, Civil Service, of the New Jersey Statutes that is terminated for reasons of economy or efficiency at any time by either local unit on a special reemployment list for any civil service employer within the county of the agreement or any political subdivision therein.

(4) when a proposed shared service agreement affects employees in local units subject to Title 11A, Civil Service, of the New Jersey Statutes, an employment reconciliation plan shall be filed with the Civil Service Commission prior to the approval of the shared service agreement. The commission shall review it for consistency with this section within 45 days of receipt and it shall be deemed approved, subject to approval of the shared service agreement by the end of that time, unless the commission has responded with a denial or conditions that must be met in order for it to be approved.

(5) when an action is required of the Civil Service Commission by this section, parties to a planned shared service agreement may consult with that commission in advance of the action and the commission shall provide such technical support as may be necessary to assist in the preparation of an employment reconciliation plan or any other action required of the commission by this section.

b. If all the local units that are parties to the agreement are subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes, the Civil Service Commission shall create an implementation plan for the agreement that will: (1) transfer employees with current status in current title unless reclassified, or (2) reclassify employees into job titles that best reflect the work to be performed. The Civil Service Commission shall review whether any existing hiring or promotional lists should be merged, inactivated, or re-announced. Non-transferred employees shall be removed or suspended only for good cause and after the opportunity for a hearing before the Civil Service Commission; provided, however, that they may be laid-off in accordance with the provisions of N.J.S.11A:8-1 et seq., and the regulations promulgated thereunder. The final decision of which employees shall transfer to the new employer is vested solely with the local unit that will provide the service and subject to the provisions of any existing collective bargaining agreements within the local units.

c. If the local unit that will provide the service pursuant to a shared service agreement is subject to Title 11A, Civil Service, of the New Jersey Statutes, but the local unit to receive the service is not subject to that Title, and the contracting local units desire that some or all employees of the recipient local unit are to be transferred to the providing local unit, the Civil Service Commission shall vest only those employees who have been employed for one year or more in permanent status pursuant to N.J.S.11A:9-9 in appropriate titles, seniority, and tenure with the providing local unit based on the duties of the position. The final decision of which employees shall transfer to the new employer is vested solely with the

local unit that will provide the service and subject to the provisions of any existing collective bargaining agreements within the local units.

d. If the local unit that will provide the service is not subject to the provisions of Title 11A, Civil Service, of the New Jersey Statutes, but the local unit that will receive the service is subject to that Title and the parties desire that some or all employees of the recipient local unit are to be transferred to the providing local unit, the transferred employees shall be granted tenure in office and shall only be removed or suspended for good cause and after a hearing; provided, however, that they may be laid-off in accordance with the provisions of N.J.S.11A:8-1 et seq., and the regulations promulgated thereunder. The transferred employees shall be subject to layoff procedures prior to the transfer to the new entity. Once transferred, they will be subject to any employment contracts and provisions that exist for the new entity. The final decision of which employees shall transfer to the new employer is vested solely with the local unit that will provide the service and subject to the provisions of any existing collective bargaining agreements within the local units.

6. Section 14 of P.L.2007, c.63 (C.40A:65-14) is amended to read as follows:

C.40A:65-14 Joint contract for joint meeting, regional services agency for public services.

14. a. The governing bodies of any two or more local units may enter into a joint contract, for a period not to exceed 40 years, to provide for the formation of a joint meeting or regional service agency for the joint operation of any public services, public improvements, works, facilities, or undertakings which the local units are empowered to operate. The contract shall be entered into in accordance with the procedures set forth in subsection b. of section 16 of P.L.2007, c.63 (C.40A:65-16).

b. A joint contract may provide for joint services for any services which any contracting local unit, on whose behalf those services are to be performed, is legally authorized to provide for itself. Those services include, but are not limited to, general government administration, health, police and fire protection, code enforcement, assessment and collection of taxes, financial administration, environmental protection, joint municipal courts, and youth, senior citizens and social welfare programs.

c. The joint contract shall set forth the public services, public improvements, works, facilities, or undertakings which the contracting local units desire to operate jointly, and shall provide in general terms the manner in which the public services, public improvements, works, facilities or undertakings shall be jointly operated, and the respective duties and responsibilities of the contracting local units.

d. No joint contract pursuant to this section shall authorize the operation of any property or service defined as a "public utility" by R.S.48:2-13, except as may otherwise be provided by law.

7. Section 15 of P.L.2007, c.63 (C.40A:65-15) is amended to read as follows:

C.40A:65-15 Joint meeting, regional service agency deemed body corporate and politic; local unit; powers.

15. a. A joint meeting or regional service agency is a public body corporate and politic constituting a political subdivision of the State for the exercise of public and essential governmental functions to provide for the public health and welfare, and qualifies as a "local unit," as defined in section 3 of the "Local Fiscal Affairs Law," N.J.S.40A:5-3.

b. A joint meeting or regional service agency has the following powers and authority, which may be exercised by its management committee to the extent provided for in the joint contract:

- (1) to sue and be sued;
- (2) to acquire and hold real and personal property by deed, gift, grant, lease, purchase, condemnation or otherwise;
- (3) to enter into any and all contracts or agreements and to execute any and all instruments;
- (4) to do and perform any and all acts or things necessary, convenient or desirable for the purposes of the joint meeting or regional service agency or to carry out any powers expressly given in sections 1 through 35 of P.L.2007, c.63 (C.40A:65-1 through C.40A:65-35);
- (5) to sell real and personal property owned by the joint meeting or regional service agency at public sale;
- (6) to operate all services, lands, public improvements, works, facilities or undertakings for the purposes and objects of the joint meeting or regional service agency;
- (7) to enter into a contract or contracts providing for or relating to the use of its services, lands, public improvements, works, facilities or undertakings, or any part thereof, by local units who are not members of the joint meeting or regional service agency, and other persons, upon payment of charges therefor as fixed by the management committee;
- (8) to receive whatever State or federal aid or grants that may be available for the purposes of the joint meeting or regional service agency and to make and perform any agreements and contracts that are necessary or convenient in connection with the application for, procurement, acceptance, or disposition of such State or federal aid or grants; and
- (9) to acquire, maintain, use, and operate lands, public improvements, works, or facilities in any municipality in the State, except where the governing body of the municipality, by resolution adopted within 60 days after receipt of written notice of intention to so acquire, maintain, use, or operate, shall find that the same would adversely affect the governmental operations and functions and the exercise of the police powers of that municipality.

c. If the governing body of a municipality in which a joint meeting or regional service agency has applied for the location and erection of sewage treatment or solid waste disposal facilities refuses permission therefor, or fails to take final action upon the application within 60 days of its filing, the joint meeting or regional service agency may, at any time within 30 days following the date of such refusal or the date of expiration of the 60-day period, apply to the Department of Environmental Protection for relief. That department is authorized, after hearing the joint meeting or regional service agency and the interested municipality, to grant the application for the erection of the sewage treatment or disposal or solid waste treatment or disposal facilities, notwithstanding the refusal or failure to act of the municipal governing body, upon being satisfied that the topographical and other physical conditions existing in the local units comprising the joint meeting or regional service agency are such as to make the erection of such facilities within its boundaries impracticable as an improvement for the benefit of the whole applying joint meeting or regional service agency.

8. Section 16 of P.L.2007, c.63 (C.40A:65-16) is amended to read as follows:

C.40A:65-16 Provisions of joint contract.

16. a. The joint contract shall provide for the operation of the public services, public improvements, works, facilities, or undertakings of the joint meeting or regional service agency, for the apportionment of the costs and expenses of operation required therefor

among the contracting local units, for the addition of other local units as members of the joint meeting or regional service agency, for the terms and conditions of continued participation and discontinuance of participation in the joint meeting or regional service agency by the contracting local units, and for such other terms and conditions as may be necessary or convenient for the purposes of the joint meeting or regional service agency. The apportionment of costs and expenses may be based upon assessed valuations, population, and such other factor or factors, or any combination thereof, as may be provided in the joint contract.

b. (1) Notwithstanding any law to the contrary concerning approval of contracts, the joint contract shall be subject to approval by resolution of the governing bodies of each of the local units prior to its execution by the official or officials who are authorized to execute a joint contract.

(2) The joint contract shall specify the name by which the joint meeting or regional service agency shall be known.

(3) The joint contract may be amended from time to time by agreement of the parties thereto, in the same manner as the original contract was authorized and approved.

(4) A copy of every resolution creating a joint meeting or regional service agency, and every amendment thereto, shall be forthwith filed with the director.

9. Section 18 of P.L.2007, c.63 (C.40A:65-18) is amended to read as follows:

C.40A:65-18 Applicability of terms of existing contracts.

18. a. When a joint meeting or regional service agency merges bargaining units that have current contracts negotiated in accordance with the provisions of the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), the terms and conditions of the existing contracts shall apply to the rights of the members of the respective bargaining units until a new contract is negotiated, reduced to writing, and signed by the parties as provided pursuant to law and regulation promulgated thereunder.

b. The Public Employment Relations Commission is specifically authorized to provide technical advice, pursuant to section 12 of P.L.1968, c.303 (C.34:13A-8.3), and mediation services to integrate separate labor agreements into single agreements for the joint contract. The commission may order binding arbitration, pursuant to P.L.1995, c.425 (C.34:13A-14a et al.), to integrate any labor agreement.

10. Section 19 of P.L.2007, c.63 (C.40A:65-19) is amended to read as follows:

C.40A:65-19 Employment reconciliation plan; provisions.

19. a. When a local unit agrees to participate in a joint meeting or regional service agency that will provide a service that the local unit is currently providing itself through public employees, the agreement shall include an employment reconciliation plan in accordance with this section. An employment reconciliation plan shall be subject to the following provisions:

(1) a determination of those employees, if any, that shall be transferred to the joint meeting or regional service agency, retained by the contracting local unit, or terminated from employment for reasons of economy or efficiency subject to the provisions of any collective bargaining agreements within the local units.

(2) any employee terminated for reasons of economy or efficiency by the contracting local unit providing the service or by the joint meeting or regional service agency shall be

given a terminal leave payment of not less than a period of one month for each five-year period of past service as an employee with the local unit, or other enhanced benefits that may be provided or negotiated. Unless otherwise negotiated or provided by the employer, a terminal leave benefit shall not include extended payment, or payment for retroactive salary increases, bonuses, overtime, longevity, sick leave, accrued vacation or other time benefit, or any other benefit.

(3) the Civil Service Commission shall place any employee that has permanent status pursuant to Title 11A, Civil Service, of the New Jersey Statutes that is terminated for reasons of economy or efficiency at any time by either local unit on a special reemployment list for any civil service employer within the county of the agreement or any political subdivision therein.

(4) when a proposed joint contract affects employees in local units that operate under the provisions of Title 11A, Civil Service, of the New Jersey Statutes, an employment reconciliation plan shall be filed with the Civil Service Commission prior to the approval of the joint meeting or regional service agency agreement. That commission shall review the plan for consistency with this section within 45 days of receipt and it shall be deemed approved, subject to approval of the joint meeting or regional service agency agreement by the end of that time, unless that commission has responded with a denial or conditions that must be met in order for it to be approved.

(5) when an action is required of the Civil Service Commission by this section, parties to a proposed joint contract may consult with the commission in advance of the action and the commission shall provide such technical support as may be necessary to assist in the preparation of an employment reconciliation plan or any other action required of the commission by this section.

b. If both the local unit and joint meeting or regional service agency operate under the provisions of Title 11A, Civil Service, of the New Jersey Statutes, the Civil Service Commission shall create an implementation plan for employees to be hired by the joint meeting or regional service agency that will: (1) transfer employees with current status in current title unless reclassified or (2) reclassify employees, if necessary, into job titles that best reflect the work to be performed. The Civil Service Commission shall review whether any existing hiring or promotional lists should be merged, inactivated, or re-announced. Non-transferred employees shall be removed or suspended only for good cause and after the opportunity for a hearing before the Civil Service Commission; provided, however, that they may be laid-off in accordance with the provisions of N.J.S.11A:8-1 et seq., and the regulations promulgated thereunder. The final decision of which employees shall transfer to the new employer is vested solely with the local unit that will provide the service and subject to the provisions of any existing collective bargaining agreements within the local units.

c. If the joint meeting or regional service agency operates under the provisions of Title 11A, Civil Service, of the New Jersey Statutes, and a local unit receiving the service is not subject to that Title, and the parties desire that some or all employees of the local unit be transferred to the joint meeting or regional service agency, the Civil Service Commission shall vest only those employees who have been employed one year or more in permanent status pursuant to N.J.S.40A:9-9 in appropriate titles, seniority, and tenure with the providing local unit based on the duties of the position. The final decision of which employees shall transfer to the new employer is vested solely with the joint meeting or regional service agency and subject to the agreements affecting the parties, provided that those agreements do not conflict with the provisions of any existing collective bargaining agreements within the local units.



d. (1) If the joint meeting or regional service agency does not operate under the provisions of Title 11A, Civil Service, of the New Jersey Statutes, and the local unit receiving the service is subject to that Title, and the parties desire that some or all employees of the recipient local unit are to be transferred to the joint meeting or regional service agency, then the transferred employees shall be granted tenure in office and shall be removed or suspended only for good cause and after a hearing. The transferred employees shall be subject to layoff procedures prior to the transfer to the new entity. Once transferred, they will be subject to any employment contracts and provisions that exist for the new entity. The final decision of which employees shall transfer to the joint meeting or regional service agency is vested solely with the joint meeting or regional service agency and subject to the provisions of any existing collective bargaining agreements within the local units.

(2) A joint meeting or regional service agency established after the effective date of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) that affects both employees in local units subject to Title 11A, Civil Service, of the New Jersey Statutes and employees in local units not subject to that Title, shall determine whether the employees of the joint meeting or regional service agency shall be subject to the Title. If the joint meeting or regional service agency determines that the employees shall not be subject to Title 11A, Civil Service, of the New Jersey Statutes, then the employees from the local units in which the Title is in effect shall have the same rights as employees transferred pursuant to paragraph (1) of this subsection.

11. Section 20 of P.L.2007, c.63 (C.40A:65-20) is amended to read as follows:

C.40A:65-20 Constitution, appointment of management committee.

20. a. The joint contract shall provide for the constitution and appointment of a management committee to consist of at least three members, of which one shall be appointed by the governing body of each of the local units executing the joint contract. The members shall be residents of the appointing local unit, except that a member who is the chief financial officer, business administrator, municipal administrator, or municipal manager of the local unit making the appointment need not be a resident of the appointing local unit. The appointees may or may not be members of the appointing governing body. Each member of the management committee shall hold office for the term of one year and until the member's successor has been appointed and qualified. In the event that there is an even number of local units that are parties to the joint contract, the management committee shall consist of one member appointed by each of the governing bodies and one member selected by the two other appointed members.

b. The management committee shall elect annually from among its members a chair to preside over its meetings. The management committee may appoint such other officers and employees, including counsel, who need not be members of the management committee or members of the governing bodies or employees or residents of the local units, as it may deem necessary. The employees appointed by the management committee shall hold office for such term not exceeding four years as may be provided by the joint contract. The management committee shall adopt rules and regulations to provide for the conduct of its meetings and the duties and powers of the chairman and such other officers and employees as may be appointed. All actions of the management committee shall be by vote of the majority of the entire membership of the committee, except for those matters for which the contract requires a greater number, and shall be binding on all local units who have executed the joint

contract. The management committee shall exercise all of the powers of the joint meeting or regional service agency subject to the provisions of the joint contract.

The joint contract may provide for the delegation of the administration of any or all of the services, lands, public improvements, works, facilities or undertakings of the joint meeting or regional service agency to the governing body of any one of the several contracting local units, in which event such governing body shall have and exercise all of the powers and authority of the management committee with respect to such delegated functions.

12. Section 30 of P.L.2007, c.63 (C.40A:65-30) is amended to read as follows:

C.40A:65-30 "Sharing Available Resources Efficiently (SHARE)" program established.

30. a. A local unit that plans to study the feasibility of a shared service agreement, joint contract, or municipal consolidation may apply to the director for grants or loans to fund the study, including consultant costs, and to fund one-time start-up costs of a shared service agreement or joint contract or municipal consolidation. The director, in consultation with the Commissioner of Education, shall establish a program to be known as the "Sharing Available Resources Efficiently" program, or "SHARE," to accomplish this purpose, and, in consultation with the commissioner, shall promulgate rules and regulations necessary to effectuate the purposes of the program.

b. The director, in consultation with the commissioner, shall provide guidelines and procedures for the submission of SHARE grant and loan applications.

c. Applications for shared service study funds:

(1) May require such local match of funds, as is determined by the director for the studies if the director finds that the local unit is financially capable of providing such matching funds.

(2) Shall not require a local match of funds for consolidation studies under sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.) or the "Municipal Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et al.).

(3) Grants for implementation of shared services may include financial assistance for terminal leave benefits, but not for early retirement incentives related to pension contributions.

d. Applications for one-time start-up costs shall provide that:

(1) Local units may apply for financial assistance for the one-time start-up costs necessary to implement shared services. Costs that may be financed through the issuance of debt or capital lease agreements shall be excluded from this program.

(2) The director may set limits on aid awards and negotiate the various provisions, costs, payment provisions, and amounts of grants or loans to ensure that the shared service is cost effective and in the public interest. Financial assistance for costs associated with terminal leave benefits shall be limited to the lesser of the officer or employee's regular base rate of compensation that is paid for the terminal leave benefit pursuant to an applicable employment contract, local practice, local ordinance, or State law.

e. The director may provide technical support programs to assist local units in applying for grants or aid for studying shared services.

13. Section 32 of P.L.2007, c.63 (C.40A:65-32) is amended to read as follows:

C.40A:65-32 Adoption of resolution authorizing certain referenda for citizen's commission.

32. The governing body of a municipality may adopt, at any regular meeting, a resolution requesting the clerk of the county to print upon the official ballots to be used at the next ensuing regular or general election, as appropriate, a certain proposition to authorize the creation of a citizen's commission, consisting of members of the governing body, appropriate municipal officials such as the municipal purchasing agent, and at least an equal number of residents of the municipality, and to identify and implement shared service, joint meeting, regional service agency, or consolidation opportunities for the municipality. The proposition shall be formulated and expressed in the resolution in concise form and filed with the clerk of the county not later than 74 days previous to the election. If approved by a majority of those voting at the election, the proposition shall be binding and shall constitute the authority for the governing body to appoint members to the citizen's commission and provide resources as it deems necessary.

14. Section 34 of P.L.2007, c.63 (C.40A:65-34) is amended to read as follows:

C.40A:65-34 PERC rules, regulations, fee schedule, grievances, appeals.

34. a. Any shared service agreement, joint contract, or municipal consolidation shall be deemed in furtherance of the public good and presumed valid, subject to a rebuttable presumption of good faith on the part of the governing bodies entering into the agreement.

b. With regard to any responsibilities assigned to the Public Employment Relations Commission pursuant to sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.):

(1) The commission may promulgate rules or regulations to effectuate the purposes of sections 1 to 37 of P.L.2007, c.63 (C.40A:65-1 et al.).

(2) The commission may establish a fee schedule to cover the costs of effectuating its services; provided, however, that the fees so assessed shall not exceed the commission's actual cost of effectuating those provisions.

(3) Within 14 days of receiving a decision, a party aggrieved by a decision of a mediator or arbitrator assigned by the commission may file notice of an appeal of an award to the commission. In deciding an appeal, the commission, pursuant to rule and regulation and upon petition, may afford the parties the opportunity to present oral arguments. The commission may affirm, modify, correct or vacate the award or may, at its discretion, remand the award to the same arbitrator or to another arbitrator, selected by lot, for reconsideration. An aggrieved party may appeal a decision of the commission to the Appellate Division of the Superior Court.

15. This act shall take effect immediately.

Approved January 21, 2020.