

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice

PETER PALMER
NJAC President
Somerset County Freeholder

JOHN G. DONNADIO
Executive Director

LEGISLATIVE UPDATE

December 21, 2010

INTEREST ARBITRATION REFORM

As expected, Governor Christies signed into law this morning SENATE, NO. 5/ASSEMBLY, NO. 3393 (*Sweeney D-3/Greenwald D-6*), which establishes the "last offer" as the terminal procedure for police and fire contract disputes, and imposes a cap on certain arbitration awards. Please find attached for your review the most recent version of the legislation and now law.

In other news during yesterday's final voting session of the year, the Senate passed the following measures.

DOT CONTRACTS WITH LOCAL GOVERNMENTS

The Senate passed by a vote of 40 - 0 SENATE, NO. 2180/ASSEMBLY, NO. 3094 (*Vitale D-19*)(*Coughlin D-19/Wisniewski D-19*), which permits the Department of Transportation to contract with a county or municipality for certain work on highways to prevent public hazards. In summary, this bill provides that the Commissioner of Transportation may enter into a contract or agreement with a county or municipality for snow removal, grass mowing, tree pruning, landscaping, repair, or routine maintenance of State highways and adjacent shoulders, right of ways, and other areas without advertisement for bids, if the scope of the work required does not contemplate the award of a contract by the county or municipality to an outside contractor, or if the Commissioner determines the work to be performed is immediately necessary for the prevention of a public hazard.

The bill also requires the Commissioner to establish reasonable rates for work performed by a county or municipality without a contract or agreement, for work that is immediately necessary for the prevention of a public hazard. Currently, the Commissioner may only contract with a county or municipality for road maintenance, when the scope of the work required does not contemplate the award of a contract by the county or municipality to an outside contractor.

Governor Christie is expected to sign this measure into law.

STATE RESIDENCY REQUIREMENT

The Senate also passed SENATE, NO. 1730/ASSEMBLY, NO. 2478 (*Norcross D-5/O'Toole R-40*)(*Moriarty D-4/Riley D-3*) by a vote of 23-10. In summary, this legislation establishes the "New Jersey First Act," and requires every person holding an office, employment, or position in this State to maintain a principal place of residence in New Jersey: More specifically, the residency requirement applies to persons employed:

- in the Executive, Legislative, or Judicial branches of government;
- with an authority, board, body, agency, commission, or instrumentality of the State - including any State college, university, or other higher educational institution;
- with a county, municipality, or other political subdivision of the State or an authority, board, body, agency, district, commission, or instrumentality of the county, municipality, or subdivision; or
- with a school district or with an authority, board, body, agency, commission, or instrumentality of the district.
- to have his or her principal residence in this State.

A person will have one year from the time of taking the office, employment or position to comply. Under the bill, the residency requirement would not apply to any person: who is employed on a temporary or per-semester basis as a visiting professor, teacher, lecturer, or researcher by any State college, university, other higher educational institution, or county or community college, or in a full or part-time position as a member of the faculty, the research staff, or the administrative staff by any State college, university, or other higher educational institution, or county or community college, that the college, university, or institution has included in the report required to be filed pursuant to this bill; or, who is employed full-time by the State who serves in an office, employment, or position that requires the person to spend the majority of his or her working hours in a location outside of this State.

The bill also provides that a person who holds an office, employment, or position in this State on the effective date of the bill, but does not maintain a principal residence in this State on that effective date, will not be subject to the residency requirement while the person continues to hold office, employment, or position without a break in public service of greater than seven days.

In addition, the bill provides that any person may request a residency exemption based on a critical need or hardship from a three-member committee established

by the bill to consider applications for such exemptions. The decision on whether to approve an application from any person would be made by a majority vote of the members of the committee, and those voting in the affirmative must so sign the approved application. If the committee fails to act on an application within 30 days after the receipt thereof, no exemption would be granted and the residency requirement would be operative.

Governor Christie is expected to sign this measure into law.

SHARED SERVICES CAPS

The Senate passed by a vote of 38 - 0 SENATE, NO. 441 (*Turner D-15/Gordon D-38*), which provides that in the case of a shared service agreement between local units as set forth in the "Uniform Shared Services and Consolidation Act," any agreement shall contain a provision limiting any annual increase in fees under the agreement or annual renewals or extensions of the agreement to be paid through the property tax to two percent of the total amount paid pursuant to the agreement. The bill allows an increase in a shared services agreement to exceed the two percent cap only if the increase has been approved by the voters of each local unit that is a party to the agreement.

The bill is consonant with the provisions of chapter 44 of P.L.2010, which reduced the permitted annual increase in a local unit's adjusted tax levy from four percent to two percent. That law also eliminated the local unit's ability to request a waiver from the levy cap from the Local Finance Board. These amendments make this bill consistent with the two percent levy cap law enacted in July of 2010. The version of this legislation in the General Assembly, ASSEMBLY, NO. 3365 (*Stender D-22*) is currently in the Assembly Housing and Local Government Committee awaiting consideration.

Thank you for your time and consideration, and please do not hesitate to contact me with any questions or concerns.